



UK Government

UK TRANSITION



UK'S NEW START LET'S GET GOING↗

Preparing businesses for our new relationship
with the EU



Aims of the session

- 1 Remind businesses there is ongoing support for businesses impacted by coronavirus.
- 2 Help businesses to identify areas where they can take action.
- 3 Show businesses how to use the support tools available on **gov.uk/transition**.

Coronavirus: supporting businesses



- We recognise the significant impact that the coronavirus outbreak is having on businesses.
- We're continuing to support businesses through a range of measures:
 - Financial support
 - Guidance for reopening and operating safely
- Check gov.uk/coronavirus/business-support



The UK's New Start



- The UK has left the EU. As we transition to our new relationship, we all need to take action to prepare.
- This will be the beginning of a new relationship with the EU and a chance for the UK to set its own rules that benefit UK businesses.
- Although negotiations are ongoing, there are a number of actions businesses can take no matter the outcome.
- Now is the time for businesses to start thinking about the actions they need to take to prepare for January 2021.



Changes and Opportunities



There are a series of changes and opportunities which businesses need to prepare for ahead of January 2021:



Make sure they are ready to grow and adapt as regulations change.



Take advantage of new trade agreements with the world's fastest growing economies.



There will be new opportunities



- UK products and services are in demand internationally and international buyers value our innovation and quality.
- We want to help businesses to take advantage of new free trade agreements with the fastest growing economies.
- Our new free trade agreements seek to secure these benefits for every region and nation of the UK.
- Free trade negotiations have already begun with the US, Australia and New Zealand, and a free trade agreement has been agreed in principle with Japan.
- We will work to open markets for UK exporters in all parts of the world, reduce trade barriers and do whatever it takes to ensure they have what they need to succeed.



Trade continuity agreements



- The UK is seeking to sign trade continuity agreements with countries to replicate existing EU trade agreements.
- EU trade agreements will cease to apply to the UK after the transition period ends.
- Trade continuity agreements will allow UK businesses to continue to trade as they do today after the transition period.



Take action



- The end of the transition period will mean changes in the way businesses trade and operate.
- For example, there will be changes to:
 - the way businesses can move goods across the border;
 - how businesses provide services in EU markets;
 - the immigration status of workforces.
- Businesses need to understand how changes will affect them and prepare accordingly to ensure they can continue trading from January 2021. Advice on what actions businesses should take is available on [gov.uk/transition](https://www.gov.uk/transition).



Check what actions a business needs to take



If a business wants to find out what changes will apply to them, they should use the checker tool for tailored advice:

- Visit gov.uk/transition;
- Answer a few questions to get a personalised list of actions for their business;
- Then sign up for emails to get updates when things change.

The UK transition

The UK has left the EU, and the transition period after Brexit comes to an end this year. Take action now to get ready for new rules from January 2021.



Take action and sign up for emails

Answer a few questions to get a personalised list of actions for you, your family, and your business. Then sign up for emails to get updates when things change.

[Start now >](#)

 Check  Change  Go



Use the checker tool



Do you exchange personal data with another organisation in Europe?

This includes organisations located in the EU, Norway, Iceland and Liechtenstein.

Personal data includes customers' addresses, staff working hours or information you give to a delivery company.



Yes

Select all that apply.

Processing personal data from Europe

Using websites or services hosted in Europe

Providing digital services available to Europe

Do you travel to the EU for business?

This also includes Switzerland, Norway, Iceland and Liechtenstein.

It does not include travel to Ireland.

Business travel includes activities such as travelling for meetings and conferences, providing services, and touring art or music.



Yes



No

► [Why am I being asked this question?](#)

Continue



What's going to change?



Changes will include:

- | | | |
|--|--|---|
| | Trade, importing and exporting | Customs, taxes and duties, export and import declarations |
| | Placing goods on the market | Certification and labelling of products and materials |
| | Hiring staff outside and inside the UK | Immigration and employment |
| | Providing services to EU markets | Travel, business and qualification recognition |
| | Using personal data | Transfer of personal data between the UK, EU and select third countries |



Importing and exporting is changing from January



Changes will be introduced in three stages:

1 January

- Full controls in place for exports.
- Full controls in place for staged imports of controlled goods.
- Optional deferred declarations in place for imports of standard goods.

1 April

- Full controls in place for:
 - Animals and Products of Animal Origin;
 - Plants and plant products.

1 July

- Full controls in place for all goods.



Prepare for changes to importing and exporting



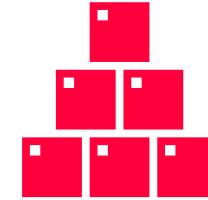
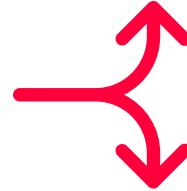
What do businesses need to do?

Businesses will need to take a range of actions, but to get started they should:

- Make sure they have an EORI number starting with GB;
- Consider using a customs intermediary to make declarations for them;
- Check if their goods need an import or export License e.g. for chemicals or food and if so, apply for what they need;
- Make sure they understand their VAT responsibilities and what they may have to pay;
- Consider if they want to make use of deferred declarations if they import goods.



Placing goods on the market from January 2021



New Approach

Goods with a CE-marking may be placed on UK market until 1 January 2022 (and longer in some cases).

E.G. Toys, PPE, Machinery.

Old Approach

Changes to existing standalone regulation models depend on specific goods.

E.G. Chemicals, Vehicles, Aerospace.

Non-Harmonised Goods

Mutual recognition will no longer apply to non-harmonised goods in the UK.

E.G. Foodstuffs, Furniture.

Other Goods

There are special rules for some goods including medical devices, construction products, civil explosives and products requiring eco-design and energy labelling.

There are different rules for Northern Ireland – see slides on Northern Ireland



Placing new approach goods on the market



If businesses have already placed CE marked goods on the EU or UK market before January 2021, they do not need to take any action for those goods.

Placing CE marked goods on the GB market

- Businesses should take steps to prepare for the upcoming changes to the domestic regime at the earliest opportunity.
- CE marked goods that meet EU requirements can continue to be placed on the GB market in most cases until 1 January 2022.
- For most new approach goods, they will be able to affix the UKCA marking on a label affixed to the product or on accompanying documentation until 1 January 2023.

Placing CE marked goods on the EU market

- If a business is placing manufactured goods on the EU market they must take steps to ensure compliance with EU requirements by 1 January 2021.





Trading with Northern Ireland

What does my business need to know?

- The Northern Ireland Protocol comes into effect on 1 January 2021.
- There will be some changes for goods movements into Northern Ireland from Great Britain.
- The Protocol entails some new administrative processes for traders, notably new digital import declaration requirements, and digital safety and security information, for goods entering Northern Ireland from the rest of the UK.
- Negotiations with the EU are still ongoing and full guidance will be provided by the end of the transition period.
- The UK Government has established a new, free service, the Trader Support Service (TSS). TSS will provide an end-to-end service which will guide traders through all import processes and can also use it to complete digital declarations, at no additional cost.



Trading with Northern Ireland

What does my business need to do?

- Make sure you have an EORI number starting with GB.
- You can sign up for the free Trader Support Service to guide you through any changes to the way goods move between Great Britain and Northern Ireland.

Further information

- For further guidance on moving goods under the Northern Ireland Protocol visit:
<https://www.gov.uk/government/publications/moving-goods-under-the-northern-ireland-protocol>
- For further information on moving goods into, out of, or through Northern Ireland from January 2021, please visit: <https://www.gov.uk/guidance/moving-goods-into-out-of-or-through-northern-ireland-from-1-january-2021>
- For more information on the Trader Support Service, visit: <https://www.gov.uk/guidance/trader-support-service>

Hiring staff from outside the UK



Why do businesses need to take action?



From 1 January 2021, free movement will end and the UK will introduce a points-based immigration system.



The new system will introduce job, salary and language requirements that may impact the ability to hire from the EU.



This system will enable UK employers to recruit skilled workers from around the world.





Hiring staff from outside the UK

What do businesses need to do?

From **1 January 2021**, if businesses want to recruit workers from outside the UK, they will need to ensure:

- They are a Home Office licensed visa sponsor;
- The job they are offering is at the required skill level – RQF 3 or above (A Level and equivalent);
- The job they are offering is above the required minimum salary level;
- The candidate speaks English to the required standard.

When does this need to be completed?

- If businesses are not already a licensed sponsor and they want to sponsor migrants through the skilled worker route from January 2021, **they should register now**.
- An application to become a licensed sponsor usually takes 8 weeks.



Hiring EU citizens who already live in the UK



What do businesses need to know?



From 1 January 2021, free movement will end and the UK will introduce a points-based immigration system



The new system will not apply to EU citizens living in the UK before 31 December 2020. They can apply to the EU Settlement Scheme before 30 June 2021.



Businesses can search for 'EU Settlement Scheme: employer toolkit' on GOV.UK to find out more.



Providing services to EU markets from January 2021

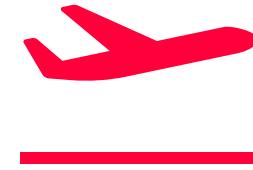


Do businesses need to make changes?

If they operate in a service sector in the EU or EFTA countries (Norway, Liechtenstein, Iceland and Switzerland), they might need to make changes if at least one of the following applies:



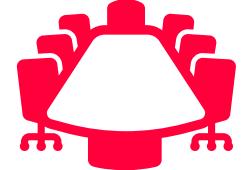
They are a UK-based supplier providing services to customers based in EU or EFTA countries



They travel to the EU or EFTA countries for business



They have a recognised professional qualification



They own, manage or direct a company based in EU or EFTA countries



Providing services to EU markets from January 2021



What do businesses need to know?

- From January 2021, UK businesses and professionals will be treated by the EU as originating from a ‘third country’.
- This means that there will be different rules that businesses need to comply with. The precise rules will depend on which Member State and what sector or sectors they operate in.
- Investment in EU or EFTA country businesses or the establishment of businesses within the EU and EFTA countries will also be affected.

Further information

- To find more information, visit [gov.uk/transition](https://www.gov.uk/transition) and search for ‘selling services to the EU’



Check European rules on personal data transfers



What do businesses need to know?

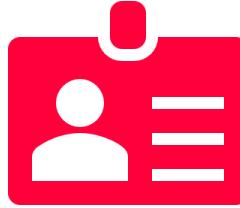
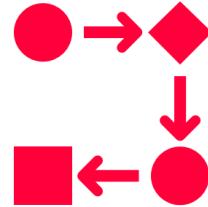
- The EU has an established way to allow for the unrestricted transfer of personal data to countries outside the EU called adequacy decisions.
- The EU's data adequacy assessment of the UK is underway, but if the EU has not made data adequacy decisions for the UK by 1 January 2021, businesses will need to act to ensure they can continue to lawfully receive personal data from the EU/EEA.
- Businesses also need to be aware of data obligations under the Withdrawal Agreement, which requires certain personal data to be protected in line with EU data law in the event the EU has not made data adequacy decisions for the UK.



Check European rules on personal data transfers



What do businesses need to do?



If businesses receive data from the EU/EEA, they should map their data flows and put in place alternative transfer mechanisms with any relevant EU organisations.

Businesses should take stock of the personal data they hold prior to the 1 January 2021.

Businesses can put in place safeguards by incorporating standard contractual clauses. Search ‘keep data flowing’ on the ICO’s website for more help.



1. Energy Trading at the end of the Transition Period (GB – continental)

GB-continent energy trading

- Trade of both electricity and gas over the interconnectors between GB and the EU will continue.
- Electricity interconnector capacity **won't be allocated** through the **EU's market coupling process**.
- **Explicit trading arrangements**, based on existing fallback systems, will operate for trading electricity between GB and the continent **in the day ahead timeframe**.
- GB power exchanges have indicated that **order book sharing for the GB day ahead auction will cease** from 1 Jan 2021.
- The final Single Day Ahead Coupled (SDAC) auction in GB is expected to take place on 30th December for delivery of electricity on 31st December 2020.
- Trading at the forwards and intraday timeframes between GB and the continent will be largely unchanged.

Gas trading over interconnectors will continue operating using similar trading arrangements to the present, using the PRISMA platform.

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1. Energy Trading at the end of the Transition Period (GB – SEM)

GB-SEM electricity

- Electricity market participants should continue to trade within the SEM as normal from 1 January 2021.
- There will be alternative electricity trading arrangements between GB and the SEM.
- Trading between GB and the SEM on the day-ahead market will cease. Trading between **GB and the SEM using implicit intra day auctions will continue.**
- Market participants will continue to interact with the market in the same way but should be aware that alternative arrangements for GB SEM trading have been put in place.

Gas trading over interconnectors will continue operating using similar trading arrangements to the present, using the PRISMA platform.

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1. Energy markets regulation at the end of the Transition Period

REMIT requirements

- In Great Britain, the majority of the existing REMIT regime will be maintained domestically with minimal changes.
- Market participants in Great Britain who want to trade in EU wholesale energy markets, undertake cross-border trade, or trade within the Single Electricity Market, will need to register with an EU regulatory authority.
- Ofgem issued an open letter on 13 October 2020 confirming the REMIT arrangements that will apply in Great Britain from 1 January 2021.
- The process of re-registration in the EU is controlled by the EU's Agency for the Cooperation of Energy Regulators (ACER). ACER published guidance on re-registration on 8 January 2019.

- **Legislation:** all GB energy markets legislation to implement alternative trading arrangements for the end of the Transition Period has been delivered.
- **Licences:** Ofgem will publish licence changes in the new year.
- **No day one EU exit related inoperabilities** have been identified in industry codes and licences.

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1. Guarantees of Origin (GoOs) at the end of the Transition Period

GoOs

- We will continue to recognise GoOs issued in EU countries from 1 January 2021. **Electricity suppliers will not need to take any specific actions.**
- Electricity suppliers in the UK can continue to use EU GoOs and those issued in GB and Northern Ireland to comply with their fuel mix disclosure obligations and ensure that existing supply contracts are not compromised.
- We intend to review this in 2021 so that, longer term, domestic recognition of GoOs issued in EU countries will take place only on a reciprocal basis.

- GoOs issued in GB & NI will **no longer be recognised in the EU**.
- Existing contracts with EU countries' electricity suppliers or traders **may be compromised** if the contract terms require the transfer of a GoO recognised by the EU.

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2. Carbon pricing – 2020 Compliance

Businesses need to comply with UK emissions levels for 2020 by 30th April 2021.

Submit Verified Annual Emissions Reports by 31st March 2021.

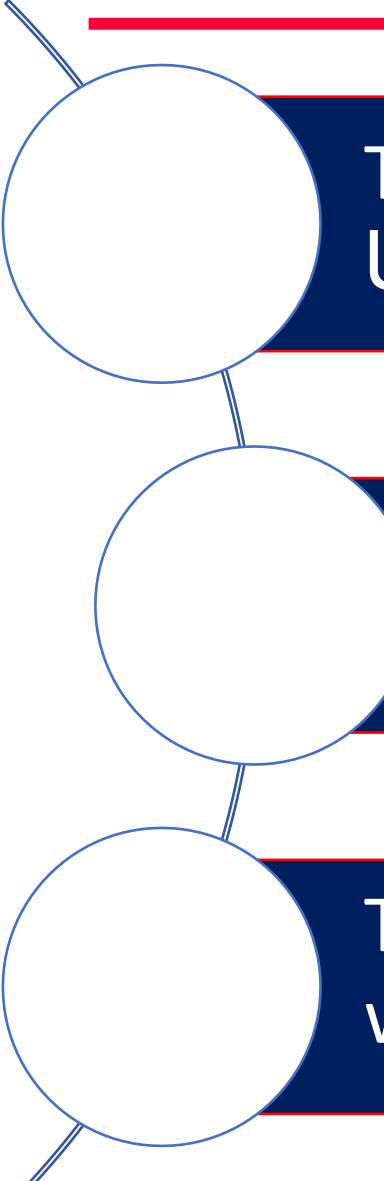
Surrender equivalent allowance to 2020 verified emissions by 30th April 2021.

Sell any remaining allowances before losing access to their EU ETS accounts 30th April 2021.

If account holders wish to continue holding EU ETS allowances, open a trading account in EU Member State.



2. Carbon pricing policy



The UK will have a robust carbon price - either through a UK ETS or Carbon Emissions Tax - in place on 1st Jan.

All the technical work and legislation necessary to operate a UK ETS is on track.

The requirements for operators covered by the EU ETS will remain similar whether we move to a UK ETS or CET.



3. Energy-related products labelling at the end of the Transition Period



From 1 January 2021, products placed on the GB market must comply with relevant UK legislation which includes UK branding and English language text.

Products placed on the GB market must comply with minimum UK Ecodesign and Energy Labelling standards.

UK & EU suppliers placing products on EU or NI markets will have to enter relevant information into the EPREL database.

Products placed on the EU and NI markets must comply with minimum EU Ecodesign and Energy Labelling standards.



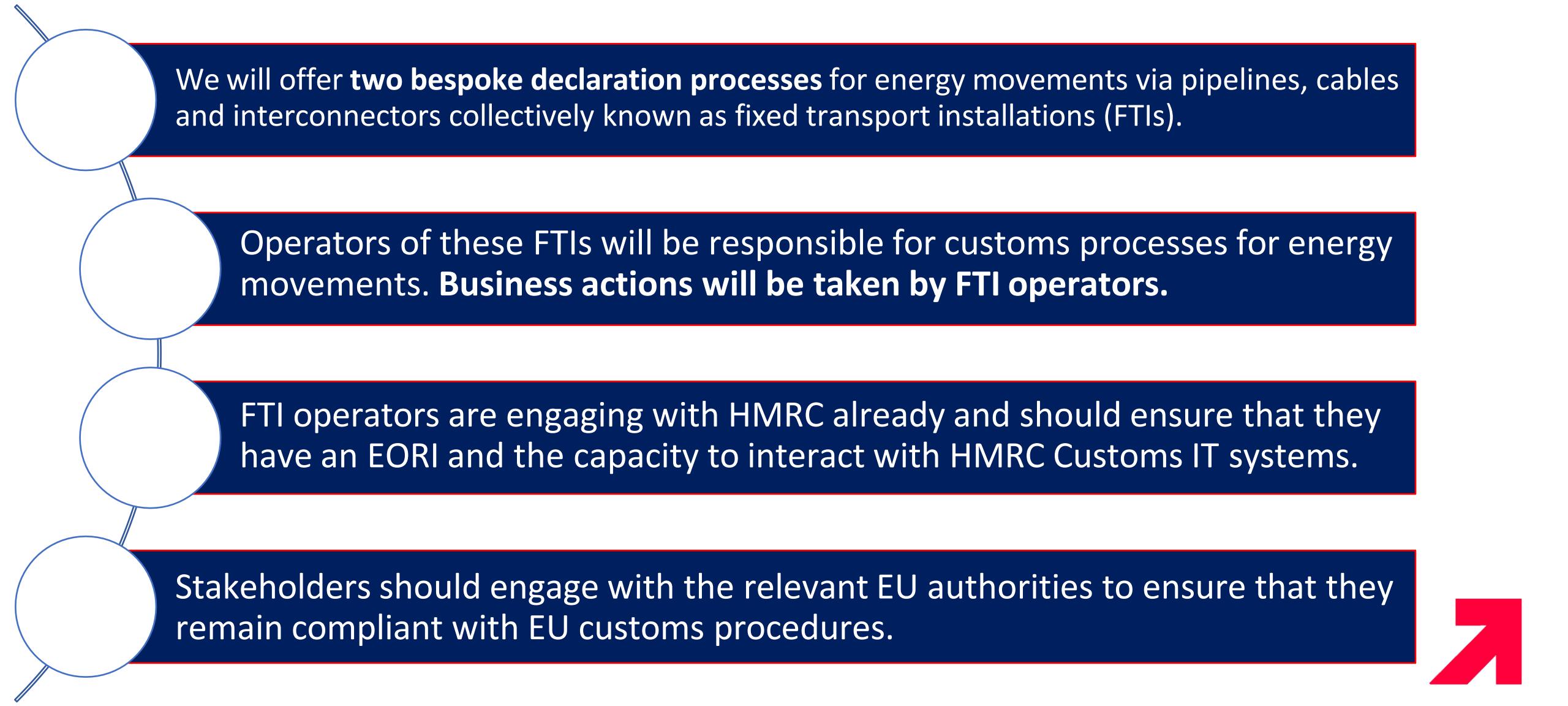
Offshore workers

- From 1 January 2021, if you are coming to work within 12 nautical miles, or the UK landmass, then you need to apply for a [Skilled Worker Visa](#) unless your activities fall under business travel (previous slide).
- If you are working outside of the 12 nautical miles then a Skilled Worker Visa is not required. If you are working outside of the 12 nautical miles but need to transit through the UK landmass, you will need to apply for a [Transit Visa](#) unless you are a non-visa national (e.g. EU/EEA/Swiss nationals).
- EU, EEA or Swiss Frontier workers who are employed or self-employed in the UK but live elsewhere may be eligible to apply for a frontier worker's permit scheme.

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6. Energy customs declarations



We will offer **two bespoke declaration processes** for energy movements via pipelines, cables and interconnectors collectively known as fixed transport installations (FTIs).

Operators of these FTIs will be responsible for customs processes for energy movements. **Business actions will be taken by FTI operators.**

FTI operators are engaging with HMRC already and should ensure that they have an EORI and the capacity to interact with HMRC Customs IT systems.

Stakeholders should engage with the relevant EU authorities to ensure that they remain compliant with EU customs procedures.



Find more information



Transition period



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