

## 'No-Deal' Preparation for Irish Businesses

We have compiled [a number of resources on our website](#), including Government contingency plans and links to the European Commission's preparedness notices. We strongly recommend that you circulate this link to your members for their information. In order to support your members, we have highlighted several areas that should be **immediately considered in the event of a no-deal**.

*Please note the following information sheet is only a brief overview and should in no way be considered comprehensive. However, with no-deal approaching, these are areas that demand immediate attention. Chambers Ireland has assembled this information to provide helpful information on the potential exposures which may arise in a "no-deal" Brexit. However, we are not professional advisors or consultants and would strongly advise companies to take independent professional advice in relation to Brexit.*

### Customs, Tariffs and Administration

Once the UK leaves the EU and customs union, any import or export moving to and from Ireland and the UK will require customs declarations.

- Businesses will be required to obtain an [EORI number](#), which can be applied for through Revenue. Businesses can either apply themselves, or choose to engage with a customs agent, that files the declaration on their behalf. In addition, Revenue has outlined a number of ways that will help to '[ease the customs burden](#)' and to make it easier for business trading with the UK.
- Customs duties will apply to goods moving to the UK from Ireland and, vice versa. Irish importers and exporters will be required to assign [classification codes](#) to their goods to determine the rate of duty. The rate of the duty will then depend on the assigned commodity code. Code classification will become a [Brexit cost to trade](#) that companies trading with the UK will become accustomed to
- As the UK will no longer be a part of the customs union, additional administration requirements and resources may be required to deal with new border arrangements. Businesses should consider whether deliveries can be shipped prior to 29 March 2019 and whether extra supplies of key raw materials can be stored to avoid logistical uncertainties.
- Separately, the UK government has set up a [grants scheme](#) for businesses that complete their customs declarations available on their website. You can apply if your business completes customs declarations and is established in, or has a branch in the UK

### VAT

The EU's current VAT regime allows businesses within EU member countries to immediately reclaim the charge on goods bought from other EU member countries. With the UK leaving the EU in March in a possible no-deal scenario, the UK will be outside of the EU's VAT regime.

- Businesses may be required to pay the VAT on goods imported from the UK at the point of entry while waiting up to two months to reclaim the money, which poses a definite risk to businesses' cash flow, particularly for SMEs.
- Business should begin to reevaluate budget plans and to account for potential increased costs when trading with the UK. For more advice, please consult your accountant.

### Cash Flow and Currency

Cash flow management has become a key concern for businesses running up to the UK departure from the EU.

- Businesses should begin to introduce strategies to ensure continued ability to make payments, follow up with UK based creditors and debtors and agree on priorities and consider the location of bank accounts and forecast anticipated receipts and payments, including tariffs.
- While the UK does not use the single European currency, business should become aware of the exposure to the Sterling currency and mismatches between assets and liabilities, as well as whether currency clauses need to be inserted. A no deal Brexit is likely to result in an increase in volatility of the Sterling / Euro exchange rate and you should ensure strategies to mitigate any additional exposures are considered. [Enterprise Ireland's Brexit Unit](#) has identified key business questions about the financial implications of currency fluctuations on business.

### **Chemicals/Machinery and Product Regulatory Issues**

It is critical for Irish companies to know which products they use (transportable pressure equipment, pressure equipment, gas appliances, ATEX equipment, machinery, PPE, lifts and chemicals) have supply chain links to the UK, including the sourcing of such products via distributors, especially for chemicals. In a "no-deal" the UK will become a 'third country' and the following will be a concern for Irish business;

- Unless Irish companies can source products from another EU supplier, the Irish company may become an EU importer after Brexit with legal responsibility for the compliance of the product with EU law
- Where companies use notified bodies based in the UK to undertake any 3rd party conformity assessments which are required under relevant EU law they won't be able to rely on these post Brexit. They will need to source a notified body legally designated to carry out conformity assessments in the EU.
- The [HSA](#) is there to support businesses. Contact them at 1890 289 389 or emailing at;
  - Chemicals: [chemicals@hsa.ie](mailto:chemicals@hsa.ie)
  - Other products: [wcu@hsa.ie](mailto:wcu@hsa.ie)
  - Accreditation: [inab@inab.ie](mailto:inab@inab.ie)

### **Data**

Rules governing the use of data flows to and from the UK and the EU under the [General Data Protection Regulation](#) (GDPR) will be subject to change in the event of a 'no-deal'. While data transfers from businesses operating within the UK to businesses operating within the EU should not be impacted by a 'no-deal' Brexit, businesses operating in Ireland or the EU may be forced to review existing and new contracts to facilitate future data transfers to the UK. Business should map any personal data being transferred to the UK from their organisation. Organisations should update the company/group Privacy Notice and other relevant documentation.

- For further information, please visit the [Irish Data Protection Commission's dedicated page](#) on data transfers in the event of a 'no-deal' Brexit

### **Free Movement of People**

Under a no-deal Brexit, UK citizens will become third country nationals under EU law. Ireland outside of EU agreements has a Common Travel Area and associated rights secured with the UK. This gives Irish nationals the right to continue to enter and work in the UK, and vice versa, without restriction. However, this agreement does not apply to the other 26 Member States.

- Once Brexit comes into effect free movement of UK citizens to the EU and vice versa will cease to exist. So if your company has staff, who are EU citizens (but not Irish or UK citizens) and they are working in NI or the rest of the UK, they will be required to make formal applications under the "[Settlement Scheme](#)" by 31 December 2020. This scheme will open to the public on 21 January 2019 and will be launched regardless of a withdrawal. It is vital that businesses begin to identify employees exposed as a result of Brexit.
- The DFA has [published information](#) about migration post-Brexit on their website to help Irish business navigate migration issues that may arise.