

# Brexit No Deal Readiness Report

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The government has just published [a 159-page “No Deal Readiness Report” \(pdf\)](#).

The document is intended to update Parliament and the public on what will change if the UK leaves without a deal. It covers legislation, regulation and systems, the steps that the Government has taken and will continue to take, and the actions that businesses and citizens need to take to prepare.

Not everything will be of interest, so before jumping in and reading the whole document, see below for a description of the individual chapters:

- **Chapter 1 - Borders:**

This chapter sets out what will change at the border if we leave without a deal. It considers the flow of trade at the border between the UK and the EU, and the changes which will affect customs, commercial transport and tariffs. It contains information and advice for traders and the wider border industry about the relevant action they will need to take, for example a trader who buys or sells products within EU countries.

It also sets out the steps the Government is taking in response to these changes. However, actions by third parties are critical in ensuring that the smoothest possible flow continues at the border.

- **Chapter 2 - Citizens:**

This chapter reiterates the Government’s commitment to the rights of over three million EU citizens in the UK and around one million UK nationals in the EU. It sets out the actions they will need to take to prepare for the UK’s exit from the EU and the mitigations the Government has put in place or is pursuing to make sure that citizens’ rights are protected. This chapter also addresses the changes that will affect UK nationals who wish to travel to the EU and EU citizens who wish to travel to the UK if we leave without a deal.

- **Chapter 3 - Data Protection:**

This chapter sets out the actions Government has taken to allow the free flow of personal data from the UK to the EU if we leave without a deal, while making sure that there is no immediate change to the UK’s high data protection standards. Action is required by organisations in the EU and the UK in order to enable the continued flow of personal data from the European Economic Area (EEA) to the UK.

- **Chapter 4 - Energy and Environment:**

This chapter covers the civil nuclear industry after the UK leaves the European Atomic Energy Community (Euratom); energy and gas interconnectors between the UK and the EU, fuel supplies in the UK and the impact of leaving the EU Emissions Trading Scheme (EU ETS). The Government has taken steps to ensure continuity where the UK will no longer be bound by EU regulations and continues to work with industry to assess risks and communicate actions third parties will need to take.

- **Chapter 5 - Services:**

This chapter outlines changes in regulations that would apply to the services sector if we leave without a deal. It sets out the actions the Government has taken to support businesses, including legislating, ensuring professionals with EU/EEA and Swiss qualifications have a means to seek recognition of their qualifications in the UK, and publishing country guides that signpost UK services exporters to essential information.

The chapter also sets out the actions businesses should take to prepare for the UK leaving without a deal. These include checking regulations in the EU/EEA states in which they operate and familiarising themselves with the immigration rules of relevant countries.

- **Chapter 6 – Industry:**

This chapter details changes in regulations that will apply to industries if we leave without a deal. It sets out the actions the Government has taken to support industry. It also sets out the actions which businesses should take to prepare for no-deal, such as considering whether they need new product approvals and what manufactured goods they use as inputs as well as final products.

The chapter also covers what will happen regarding agrifood and fish when the UK leaves the EU. It sets out the actions the Government has taken and will take in the future, as well as recommended actions for third parties.

- **Chapter 7 - Public Services and Local Authorities:**

This chapter outlines the key changes required to support the delivery of public services if the UK leaves the EU without a deal. It sets out the actions Government has taken to prepare local authorities, Local Resilience Forums, schools, and other public sector institutions. It outlines measures to ensure organisations of this kind continue to receive supplies of critical goods, such as food and medical supplies. It also summarises the arrangements that the Government has put in place to support programmes that currently receive funding from the EU.

- **Chapter 8 - Northern Ireland:**

This chapter sets out the Government's position in a number of areas relating to Northern Ireland. The Government will continue to uphold the Belfast (Good Friday) Agreement in all circumstances. It will continue to maintain existing Common Travel Area (CTA) arrangements and under no circumstances will it put in place infrastructure, checks, or controls at the border between Northern Ireland and Ireland. This chapter provides information for citizens and advises them where they will need to take action, such as when driving across the land border. It also sets out the requirements for businesses trading goods into Northern Ireland from Ireland.

- **Chapter 9 - Devolved Administrations, Crown Dependencies and Overseas Territories:**

This chapter sets out the work that the Government has undertaken with the devolved administrations, Crown Dependencies and Overseas Territories to identify, understand and mitigate the effects of leaving without a deal. It contains information on ministerial and official engagement, and the progress made on statutory instruments, common frameworks and technical assistance. It also outlines where people can find relevant information from the UK Government, devolved administrations, Crown Dependencies and Overseas Territories.

- **Chapter 10 - Operation Yellowhammer and Security:**

This chapter outlines Operation Yellowhammer, the contingency plans developed by the Government based on what might happen in a reasonable worst case scenario after leaving without a deal. In addition, this chapter also sets out how the Government has been making extensive preparations to ensure the continued safety and security of our citizens.

## Key points – Chapter summary

Below follows a chapter-by-chapter summary of the main takeaways.

Given the implications for citizens, consumers, businesses and the economy, the Government is committed to prioritising stability. In some areas, the Government would act unilaterally to provide continuity for a temporary period, irrespective of whether the EU reciprocates.

### Actions So Far

The Government has been preparing to leave without a deal since 2016. In that time they have:

- Announced more than £4 billion for Brexit planning before 24 July 2019.
- Signed or secured continuity Trade Agreements with non-EU countries, as well as continuity agreements across key sectors, including aviation, civil nuclear power and trade.
- Recruited up to 1,000 new staff to help maintain security and support flows at the border.
- By the end of September almost 1.5 million people had already been granted a status under the EU Settlement Scheme and 1.7 million had applied. EU citizens who received settled status have the same access to benefits as a comparable UK national. EU citizens with pre-settled status will have the same access as now, until they have accumulated five years of residence when they will have the same access as comparable UK nationals.
- Taken the necessary steps to ensure the statute book is ready for Brexit by working to deliver an unprecedented programme of legislation.
- Continued to work with the Scottish and Welsh Governments and, in the absence of an Executive in Northern Ireland, the Northern Ireland Civil Service, to make preparations for leaving without a deal.
- Released more than 750 pieces of guidance outlining the potential impacts of leaving without a deal, and how businesses and traders should prepare.
- Ensured that we have more than 15,000 of the best and brightest civil servants working on Brexit.

Since 24 July 2019, the Government has intensified no-deal preparations. Examples of these additional measures are outlined below:

- The Chancellor allocated £2.1 billion additional funding in August this year to increase no-deal preparations and a further £2 billion for delivering Brexit next year.
- The Government has a public information campaign ‘Get Ready for Brexit’, to advise everyone of the clear actions they should take to prepare for no-deal.
- The Government has committed to uprating the UK state pensions of those eligible recipients that live in EU Member States for a further three years beyond the Government’s initial one year commitment for each year up until March 2023 while the Government seeks to negotiate a new arrangement with the EU so that uprating continues.
- The Government has launched a £10 million Brexit readiness fund for business organisations and trade associations to support businesses to prepare for no-deal.
- The Government has set up face-to-face Brexit Readiness Roadshows across the UK to provide businesses with information and advice as to what actions they should take.

- The Government has launched a new checker tool on GOV.UK so audiences can identify what they need to do to get ready for Brexit.
- The Government has secured further continuity Trade Agreements with South Korea, Lebanon, SACU+M (South African Customs Union and Mozambique) and Tunisia.
- The Government has put in place a framework agreement with eight operators creating a list of approved operators to provide freight capacity for Category 1 goods.
- The Government has automatically allocated an Economic Operator Registration and Identification (EORI) number to 88,000 VAT registered companies across the UK that HMRC know trade with the EU, to help businesses continue trading with customers and suppliers in the EU.
- The Government is developing an improved infrastructure solution for transit movements in the event that we leave without a deal on 31 October 2019 through securing six alternative government offices of destination or departure in Kent and Essex.
- The Government has set up two Cabinet Committees to oversee the strategy and operations of Brexit.

## Policies

### Chapter 1: Borders

- The Government has decided not to impose new routine checks at the border on 31 October 2019, in order to maximise the flow of goods. Instead, it would move to new border requirements over time. Imports moving from the EU to the UK would not be subject to SPS border checks, would not need to enter through a Border Inspection Post (BIP), and products of animal origin would not need a health certificate.
- The Government has made £8 million available to train customs agents and increase automation in the intermediary sector.
- The Government has acted to increase the capacity of the UK's Customs Handling of Import and Export Freight (CHIEF) customs declaration system, and tested that it can cope with extra volume, in anticipation of an increased number of customs declarations if we leave without a deal.
- The Government has developed a new Import of Products, Animals, Food and Feed System (IPAFFS) to replace the EU's Trade Control and Export (TRACES) system. This digital service would monitor the control and import of animals, animal related products and high risk food and feed from the EU and rest-of-world countries. Further information on the new customs and regulatory requirements for agrifood products can be found in the industry chapter (see chapter 6 on industry).
- The Government has ensured that the existing Automatic Licence Verification System (ALVS) continues to allow the smooth sharing of information between the network of Government IT systems at the border.
- For imports to the UK, the Government has introduced temporary easements and committed to phase in UK border processes for traders and hauliers to help smooth the transition to new controls. These easements will:
  - Allow businesses registered for Transitional Simplified Procedures (TSP) importing most goods moving from the EU into the UK to delay the submission of customs declarations and postpone the payment of customs duties. Businesses who want to take advantage of TSP will need to register via GOV.UK.
  - Allow importing businesses a period of grace to get a guarantee in place to cover any additional duties that they need to defer.
  - Phase in pre-arrival requirements for Entry Summary Declarations for the import of goods moving from the EU (sometimes known as safety and security declarations).

- The Government has introduced postponed VAT accounting for both EU and non-EU imports, enabling VAT registered businesses to wait until their next VAT return to declare and recover import VAT on goods, helping their cash flow and reducing costs at the point of import.
- The Government has negotiated UK accession to the Common Transit Convention (CTC) in its own right so that both imported and exported goods moving under transit can continue to flow across international borders without the payment of duties until they reach their final destination.

## Chapter 2: Citizens

- The Government has established the EU Settlement Scheme. If we leave without a deal, the scheme enables EU citizens (including EEA, EFTA and Swiss nationals) resident in the UK by 31 October 2019 and their family members to apply to remain in the UK and protects their rights after we leave the EU. They will have until 31 December 2020 to apply.
- The Government has also reached separate agreements on citizens' rights with the EEA EFTA states (Norway, Iceland and Liechtenstein) and Switzerland. These agreements provide certainty to both UK nationals in the EFTA states and EFTA nationals in the UK, who are legally resident before exit day, that they can continue to live, work and study as now.
- Over 1.7 million people have applied to the scheme and almost 1.5 million have received their status.<sup>41</sup>
- To support the scheme, the Government has put in place a free assisted digital service, under which applicants can access support over the phone, face-to-face in almost 300 centres across the UK, or from an in-home tutor. The Government has made £9 million available to 57 voluntary and community sector organisations to reach an estimated 200,000 vulnerable or at-risk EU citizens who may need additional support to apply.<sup>42</sup>
- The rights of EU citizens and their family members will be protected under existing primary and secondary legislation. EU citizens will have continued access to domestic healthcare, education and benefits and ongoing recognition of professional qualifications. The EFTA agreements are also being implemented by existing legislation.
- The rights of EU citizens to vote and stand in UK local elections will not immediately change on exit from the EU and we are seeking reciprocal bilateral agreements to maintain this right. As is currently the case, EU citizens will not be able to vote or stand in UK parliamentary elections.<sup>43</sup> The Scottish and Welsh Governments are responsible for their own franchise for local and devolved elections.
- EU motorists (both private and commercial) will be able to continue to drive to the UK as they do now. They will not need to obtain an International Driving Permit (IDP) or a Green Card.

## Chapter 3: Data Protection

The GDPR will be brought into UK law and the Information Commissioner will remain the UK's independent supervisory authority on data protection.

The UK has legislated to continue the free flow of personal data from the UK to the EU/EEA (on a transitional basis and to be kept under review).

Where the EU has made an adequacy decision in respect of a country or territory outside of the EU prior to 31 October 2019, the UK Government has preserved the effect of these decisions on a transitional basis.<sup>67</sup> Personal data transfers from the UK that currently rely on adequacy decisions can continue to these countries uninterrupted. Twelve of these thirteen EU adequate third-countries/territories (all except Andorra) will also maintain free flows of personal data to the UK and have published guidance or legislation confirming this.<sup>68</sup>

Within the public sector, all Government departments have reviewed their reliance on personal data flows from the EU/EEA and developed appropriate contingency plans to mitigate any identified risks to public sector service provision.

The Government has also worked to ensure third party organisations understand the action they need to take to ensure that personal data flows can continue. Personal data preparations was a key theme of the early 2019 public information campaign.

The Information Commissioner's Office (ICO) is supporting UK organisations and in December 2018 published guidance for organisations processing under the GDPR and the LED that outlines how to secure the transfer of data, if we leave without a deal. This guidance sets out the actions that organisations need to take. The ICO has published an interactive tool to help organisations understand and complete Standard Contractual Clauses (SCCs), the principal alternative legal mechanism for personal data transfers from the EU/EEA to the UK. The ICO has published further guidance on other steps that certain organisations may need to take.

The Government has undertaken an engagement campaign in EU Member States to encourage organisations to take the steps required to enable the continued free flow of personal data. Officials have met relevant Member State government departments, data protection authorities, business federations and digital interest groups across the EU and will continue to push for EU parties to prepare for leaving without a deal.

#### **Chapter 4: Energy & Environment**

- The Government has established a new domestic nuclear safeguards regime, run by the ONR, that will commence when Euratom arrangements no longer apply to the UK.
- The Government has signed new international safeguards agreements with the International Atomic Energy Agency (IAEA) to replace the existing trilateral agreements between the IAEA, Euratom and the UK.
- The Government has concluded replacement bilateral Nuclear Cooperation Agreements (NCAs) with key partners to ensure continuity of civil nuclear trade following exit from Euratom.
- The Government has put in place all the necessary legislation to ensure that the UK continues to have a robust civil nuclear legal framework.
- None of these arrangements requires there to be a deal with the EU and Euratom.
- All essential nuclear-specific actions have now been taken but the Government will continue to work closely with the civil nuclear industry to support a smooth transition to these new arrangements.

#### **Chapter 5: Services**

- The Government has legislation before Parliament to end the EU legal requirement that EU/EEA services providers and investors are guaranteed the right to provide services in the UK without barriers, which would amount to preferential treatment in the UK compared to services providers and investors from other countries. This will ensure that the UK complies with the World Trade Organization's Most Favoured Nation principle.
- The Government has ensured that professionals with EU/EEA and Swiss qualifications can seek recognition of their qualifications in the UK. UK regulators will be required to recognise EU/EEA qualifications that are of an equivalent standard to UK qualifications, but will no longer be obliged to offer 'compensatory measures' such as aptitude tests or adaptation periods to applicants below the UK standard.
- The Government has published 31 country guides for all the EU/EEA states and Switzerland, which signpost UK services exporters to information on cross-border trade, establishing and structuring businesses, business

travel and visa requirements, recognition of UK professional qualifications, and data protection.<sup>76</sup> This is not an exhaustive list of the changes that will take place or the preparations that the Government is putting in place.

- The Government has published technical notices on providing professional services including those of a qualified professional<sup>77</sup>, geoblocking of online content<sup>78</sup>, and on the provision of services regulation, for UK businesses and guidance for UK regulators applying these changes.
- Specifically, the Government has legislated to update the Recognition of Professional Qualifications Regulations, as the EU framework will no longer apply if we leave without a deal. The new system that will come into force from 31 October 2019 keeps some elements of the current framework to continue to help meet public and private sector workforce demands as well as provide clarity and certainty to businesses and professionals. For example, we will protect recognition decisions made before Brexit, ensuring that EEA and Swiss nationals already working in the UK do not face additional barriers.
- The Government has also made changes to the recognition framework for European qualifications so that it is: fit for the UK as a sovereign state; operates effectively alongside existing arrangements for non-European qualifications; and ensures those working in the UK are suitably qualified. It will no longer be legal to retain preferential treatment for EEA and Swiss nationals under WTO rules, and therefore eligibility will be based solely on whether an individual holds an EEA or Swiss qualification. Additionally, although UK regulators will be obliged to recognise EEA and Swiss professional qualifications that are equivalent to the UK standard, they will no longer be required to offer compensatory measures, such as an aptitude test or undertaking further studies.
- Arrangements for certain professions, such as health and care, architects and lawyers, are addressed in separate sector specific legislation.

## Chapter 6: Industry

- The Government has introduced new regulations to accept goods made against EU rules (including goods subject to assessments made by EU conformity assessment bodies) in the UK. This will mean that goods with the CE mark (which also include toys, electronics and machinery) can still be sold in the UK.
- The Government will provide continuity in goods regulation for a temporary period after exit day in order to provide as much stability as possible for businesses immediately following the UK leaving without a deal.
- For the automotive, chemicals and medicines sectors the UK is putting in place light-touch processes to allow businesses to convert existing EU approvals into UK approvals.
- The Government will introduce a new UK regulatory framework for CE-marked goods that will allow manufacturers to show that products meet UK rules and can be sold in the UK. This will include introducing a UK-only mark - called the UKCA mark - and a system of UK Approved Bodies. The Government published advice on using the UKCA mark. <sup>87</sup>
- The CE mark will be retained for medical devices to ensure continued access for UK patients. Section B sets out the Government's preparation for the regulation of medical devices.

## Chapter 7: Public Services and Local Authorities

- The Government has improved lines of communication with all local authorities in England. A wide range of guidance has been made available to them.
- £58 million was announced in early 2019 to help local areas in England prepare for Brexit.

- The Government has provided information, guidance and training to relevant council officers on the new processes and systems that will be introduced in the event that access to EU systems is no longer available. This includes introducing UK databases to replace those EU databases we could lose access to, enabling councils to continue carrying out key services such as tracking imports and exports.
- The Government has provided all local authorities in England, Scotland and Wales and Health and Social Care Trusts in Northern Ireland with specific guidance about their role in supporting looked-after children and care leavers who are EU citizens to apply to the EU Settlement Scheme.

## Chapter 8: Northern Ireland

- In order to lessen the impact of the immediate changes to existing patterns of trade and on the security context, the UK Government has set out how it would implement and apply a unilateral policy for the Northern Ireland land border for day one of leaving without a deal of ‘no new checks with limited exceptions.’ This aims to maintain the status quo as far as possible for imports that cross the land border from Ireland into Northern Ireland. However, significant risks remain as this policy is temporary in nature and unilateral. The UK Government will look to engage with the Irish Government and the EU as soon as possible following Brexit.
- Under this approach, the UK Government will not introduce any new checks or controls on goods at the land border, and there will be no customs requirements for nearly all goods. The UK Temporary Tariff (TTR) policy will not apply to goods crossing from Ireland into Northern Ireland, meaning there will be no new tariffs applied to anything which crosses the border – provided that the goods have not been diverted via Ireland in order to avoid UK customs duty that would otherwise have been payable. The UK Government will apply only a small number of other measures that are strictly necessary to comply with international legal obligations, such as: the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES); on ozone-depleting substances; and on trade in rough diamonds. To protect the biosecurity of the island of Ireland, checks will be instituted at authorised individual business premises on plants imported from non-EU third countries. In order to ensure a level playing field on VAT and excise duty between Northern Ireland and Ireland businesses, goods arriving from Ireland will be subject to import VAT and, where applicable, excise duty. These measures will not require checks at the land border.
- Both the UK and Irish Governments have already committed to maintaining existing CTA arrangements, including the associated rights of British and Irish citizens in the other jurisdiction. There would therefore be no change to CTA arrangements if the UK left the EU without a deal. The CTA is a long-standing arrangement between the UK, the Crown Dependencies (Bailiwick of Jersey, Bailiwick of Guernsey, Isle of Man) and Ireland. It established cooperation between respective immigration and public services, enabling British and Irish citizens to move freely between, and reside in, these islands. British and Irish citizens enjoy additional rights in Ireland and the UK. These include the right to work, study and vote in certain elections, as well as to access social welfare benefits and health services. After the UK leaves the EU, both British and Irish citizens will continue to have these rights, even in the event of leaving without a deal.
- Energy regulators in Ireland and Northern Ireland have set out that the Single Electricity Market (SEM) will continue to operate after Brexit. Trade in electricity between the SEM and Great Britain, across the interconnectors, will continue. The UK will no longer have access to European platforms that provide for efficient trade and cross-border cooperation. The Government has undertaken contingency planning work with technical input from the Northern Ireland Department for the Economy, Utility Regulator and System Operator (SONI) and has prepared legislation in an effort to ensure that technical, operational and legal arrangements are in place for the SEM to continue. Again, we stand ready to work with the Government of Ireland to this end. Consumers need to take no action; Government and market participant action is covered in the Energy and Environment section of this paper.

## Chapter 9: Devolved Administrations, Crown Dependencies and Overseas Territories

- The Government has worked closely with the Scottish and Welsh Governments to ensure that over 200 Statutory Instruments legislating in a devolved area and required for 31 October 2019 have been laid before Parliament so that there is a functioning statute book across the UK. In the absence of a Northern Ireland Executive, the UK Government has also worked closely with the Northern Ireland Civil Service so that relevant Statutory Instruments have been laid.
- The Government has provided the devolved administrations with over £300 million since 2017 to prepare for Brexit. This includes £138.4 million for the Scottish Government, £80.3 million for the Welsh Government, and £51.4 million for the Northern Ireland Civil Service. In addition, the Northern Ireland Civil Service has been provided with a further £34.5 million for policing (£16.5 million) and other pressures not faced in other parts of the UK (£18 million).
- The Office of the Secretary of State for Scotland, Office of the Secretary of State for Wales and Northern Ireland Office have been involved in the development of the UK public information campaign for businesses and individuals. They also maintain regular contact through both informal and formal channels to ensure people and businesses in Scotland, Wales and Northern Ireland receive the information they need to take any required action ahead of Brexit. This is supported by a well-established set of relationships with key stakeholders, businesses and sectors in all four nations of the UK.

## Chapter 10: Operation Yellowhammer and Security

- Under Operation Yellowhammer, the Government has developed contingency plans based on what might happen in a reasonable worst case scenario. The planning assumptions for this reasonable worst case scenario are regularly reviewed to take account of ongoing developments, such as changing levels of government and third party preparedness, and changing understanding of how the EU and its Member States may act if we leave without a deal. The assumptions are not a prediction of what is likely to happen; instead, they consider what would happen at the more pessimistic end of predictions. The Yellowhammer planning assumptions as of 2 August were published on 11 September.
- Operation Yellowhammer aims to ensure there are effective and proportionate contingency plans in place to mitigate the potential immediate impact of leaving the EU without a deal on the welfare, health and security of UK citizens and the economic stability of the UK.
- The Civil Contingencies Secretariat is supporting DExEU and other departments preparing for Brexit, in addition to its regular work building the UK's resilience, by coordinating cross-government contingency preparations for the UK leaving the EU if we leave without a deal.
- This contingency planning work focuses on 12 impact areas for which the Government has developed reasonable worst case planning assumptions. They include: transport systems; movement of key goods and people across borders; healthcare services; energy and other critical industries; food and water supplies; UK nationals in the EU; law enforcement implications; banking and finance industry services; Northern Ireland; specific impacts for Overseas Territories and Crown Dependencies; and national security.
- The lead Government departments responsible for each impact area have taken steps to define the potential impact, develop reasonable worst case planning assumptions and put in place contingency plans to mitigate, as far as possible, potential disruption.
- Reasonable worst case planning assumptions are intended to provide an illustrative example of a challenging manifestation of the risk in question, taking into account both likelihood and impact. The planning assumptions provide a common, stretching, scenario for all stakeholders to plan against and for which, if plans are in place, a reasonable level of preparedness can be expected for most manifestations of the risk.

This is a common planning methodology used by major nations, including by the UK in its National Risk Assessment. It is good risk management to anticipate reasonable worst case scenarios.

- Operation Yellowhammer will also provide a coordination system across the government and partners for deployment at the time of exit, to allow the rapid identification of impacts, fast decision making and delivery of effective responses. This system would bring together teams from the UK Government, the Scottish and Welsh Governments, the Northern Ireland Civil Service, Local Resilience Forums and operational delivery partners or equivalent bodies across the whole UK, the Crown Dependencies, and the Overseas Territories.