

Brexit - what's next?

07 Mar, 2019 | Share 



The Brexit deadline is closing in and we will soon know if it's going to be Brexit with or without an exit deal. Should we end up in a situation where Great Britain (GB) leaves the EU, we will keep you updated with information and assist you with your questions and guidance on the matter.

In the meantime, let us have a look at the scenario we are currently facing, and which remains until the voting next week.

If GB and EU agree on a deal, the current rules will continue to remain in force until 31 December 2020, meaning the European companies will only feel the effects of Brexit from 01 January 2021.

However, if the current negotiations between GB and EU turn out fruitless, we will face a situation without any trade deals and the rules will significantly change from 30 March 2019.

If GB leaves EU without a deal, all export/import will basically be governed by the rules of the World Trade Organization (WTO). This means that you are able to look into taxation by yourself and evaluate how it will affect your business. It should be said that even though the WTO tax guide only suggests 0% taxation, all exporters should still fill in the necessary paperwork and make themselves aware of which kind of license(s) they are obliged to obtain. If your company already exports to countries outside the EU, you are probably already export-registered with the authorities, and in case of a no-deal Brexit, export would proceed as usual to such countries.

Among others, the Confederation of Danish Industry (Dansk Industri) offers a lot of advice on the predictions on Brexit, and it is recommended that all companies keep themselves updated and evaluate the below-mentioned concerns:

- Be aware of the currency as the British pound might drop in case of no-deal Brexit
- British certificates and licenses will no longer be valid in the EU
- Consider reviewing your current contracts. If they are subject to English law, you might experience uncertainty, as GB would no longer be subject to EU legislation
- Make sure your contracts allow sudden price increases due to customs/tax and other trade barriers
- GDPR – GB will be considered as a “third country” to the EU, and you should make special agreements with companies in GB before transferring data. EU suggests using its standard contract on the subject – the Standard Contractual Clauses (SCC), which ties a GB company to the same standards on data security as an EU company
- Review of your supply chain – the British customs authorities will be under a lot of pressure and delay (maybe significant) should be expected

The European Commission offers a lot of advice on Brexit, which is specific to each of the member states. We advice you to keep yourself updated by visiting their website here.

We will stay on top of this and keep you posted!
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