

## EUROPEAN HIGHLIGHT | 10.01.2019

### BREXIT: EUROPEAN COMMISSION IMPLEMENTS “NO-DEAL” CONTINGENCY ACTION PLAN IN SPECIFIC SECTORS

On 19 December 2018, the European Commission started implementing its “no deal” Contingency Action Plan, given the continued uncertainty in the UK surrounding the ratification of the Withdrawal Agreement, as agreed between the EU and the UK on 25 November 2018. This delivers on the Commission’s commitment to adopt all necessary “no deal” proposals by the end of the year.

The Commission adopted 14 measures in a limited number of areas where a “no-deal” scenario would create major disruption for citizens and businesses in the EU27. These areas include financial services, air transport, customs, and climate policy, amongst others. The Commission considered it essential and urgent to adopt these measures to ensure that the necessary contingency measures can enter into application on 30 March 2019 in order to limit the most significant damage caused by a “no-deal” scenario in these areas.

These measures will not – and cannot – mitigate the overall impact of a “no-deal” scenario, nor do they in any way compensate for the lack of stakeholder preparedness or replicate the full benefits of EU membership or the terms of any transition period, as provided for in the Withdrawal Agreement. They are limited to specific areas where it is absolutely necessary to protect the vital interests of the EU and where preparedness measures on their own are not sufficient. As a rule, they will be temporary in nature, limited in scope and adopted unilaterally by the EU.

We identified which of these measures are most relevant for the businesses of the FEPPD members and would like to draw your attention to what has been decided in the area of customs and the export of goods.

If the Withdrawal Agreement is not ratified, all relevant EU legislation on imported goods and exported goods will apply as of the withdrawal date. This includes the levying of duties and taxes and the respect of the formalities and controls required by the current legal framework in order to ensure a level playing field. It remains essential, however, that Member States take all the necessary steps to be in a position to apply the Union Customs Code and the relevant rules regarding indirect taxation in relation to the UK.

The Commission has also adopted the following technical measures in this area:

- A Delegated Regulation to include the seas surrounding the UK in the provisions on time-limits within which entry summary declarations and pre-departure declarations have to be lodged prior to leaving or entering the Union’s customs territory.
- A proposal for a Regulation to add the UK to the list of countries for which a general authorization to export dual use items (*i.e.* items that can be used both for civil and military application) is valid throughout the EU.

The full preparedness Communication of 19 December 2018 can be consulted via [this link](#).

We hope this information is useful. You should not hesitate to contact us should you have any questions or require further information.

Kind regards,

Sarah – Evi