

What is EU Exit?

Key facts

- 1 The UK voted to leave the EU in a referendum in 2016
- 2 A Withdrawal Agreement has not been ratified yet
- 3 EU exit has been delayed a number of times
- 4 Negotiation of a trade deal is planned to start after EU exit

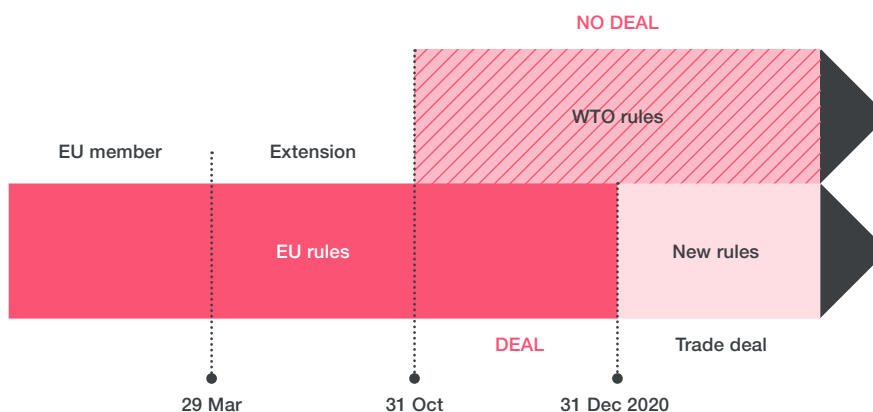
What is EU exit?

EU exit, or Brexit, means that the UK will leave the EU's legal structure and will no longer be bound by, and benefit from, EU treaties and rules. After exit, the UK will not be part of the Single Market, the EU's internal market. Trade with the EU will be governed by a different set of rules and customs procedures. Also, people will no longer be able to move freely between the UK and the EU.

This separation is planned to take place in three stages:

- Ratify the Withdrawal Agreement (the "deal"), which lists the terms of leaving (e.g. monies due, citizens' rights, Northern Irish border)
- "Implementation" or "transition" period: The UK and the EU to negotiate future access to each other's markets while businesses will continue to trade under EU Single Market rules
- UK-EU Free Trade Agreement to replace EU Single Market rules from 2021

Rules UK-EU Trade



Where are we now?

The EU exit process has been delayed and businesses face the following scenarios:

Scenario 1: Deal

A modified Withdrawal Agreement is ratified in Parliament. Businesses continue trading under Single Market rules until a new UK-EU Free Trade Agreement is in place.

Scenario 2: No deal

The Withdrawal Agreement is not ratified and there will be no implementation period for business. UK-EU trade will take place on World Trade Organization terms from Exit Day.

Scenario 3: Extension

The UK stays a member of the EU for the duration of the extension, after which there is a deal or a no deal scenario.

Changes to terms on which we trade may happen either gradually or overnight. If there is no deal, there may be obligations to pay tariffs, demonstrate compliance with EU rules, loss of recognition of licences, authorisations and qualifications, barriers to data flows from the EU, and changes to travel and business establishment.

To do

- Understand what EU exit means for your business with the [Government checker tool](#)
- Trace your supply chain to the ultimate source and show partners and clients that your business is resilient to the uncertain period ahead by taking the basic steps needed to maintain trade after the EU Exit date
- Talk to investors/funders and insurers to ensure financial support and cover is sufficient and remains valid
- [Sign up](#) for the London Growth Hub's EU exit resilience training to help you identify risk areas

What's next?

In the event of no deal, basic emergency measures for transport and medicines, as well as zero tariffs on most imports, are expected to be in place. When the UK has formally left the EU, trade negotiations are planned to start.

For more information on EU exit and your business: Visit [London Growth Hub](#) or [sign up](#) for free business resilience training

London Growth Hub

growthhub@london.gov.uk