

Regulation

Key facts

- 1 The UK is no longer part of the EU's legal structure and will not be bound by EU rules and court rulings after the transition period ends (in principle)
- 2 A new balance between UK and EU regulatory systems will need to be found
- 3 There will be trade-offs in the negotiations between alignment of rules and market access

Many rules have an EU origin. This allows businesses to trade with EU countries without having to think about local rules for almost all products and for many services.

Businesses will need to develop an awareness of the regulatory aspects of trading with the EU. After the transition period ends, rules can form so-called "behind the border" or "technical" barriers to trade.

Both the UK and the EU have expressed an intention to minimise barriers. To an extent they can either align rules or consider them to be "equivalent" or "adequate". However, the relationship between the two regulatory systems will need to be agreed in a trade agreement.

For now, EU laws will stay on the UK Statute Book to prevent disruption. Over time, Parliament will scrutinise and possibly modify or replace

each piece of EU originated legislation. Also, there are new laws to reflect that the UK left the EU, and that it has own policies on, for example, trade, agriculture or nuclear energy.

For the regulation around your product, it is advisable to closely watch both the trade negotiations and the forthcoming parliamentary scrutiny of EU originated laws. Also, you will need to understand what it means to trade as a business from outside the EU ("third country"). Third country-status will be the default for market access and the terms can only be mitigated (to an extent) by a trade deal.

Businesses from third countries that trade with the EU will have to show at the border that their product complies with EU rules, or locally, with national rules in the destination country. This is true even if UK and EU rules are still the same. Also, there will be no recourse to the European Court of Justice in the event of a conflict.

To do

- Find out via the [UK](#) and the [EU](#) information portals what EU rules there are around your product or service, and how they may change, e.g. labelling, chemicals, e-commerce rules
- Find out about the local rules in your customer's country through the following links: [Government's country-by-country guides](#), [EUGO Points of Single Contact](#), the [e-justice database](#)
- Set up a partnership with the Primary Authority to ensure you receive the latest updates on regulatory compliance

What's next?

Whatever the outcome of the negotiations, technical barriers to trade are expected to happen after the transition period ends. To see what the new trading terms could look like, check out the [EU-Canada Comprehensive and Economic Trade Agreement](#).

For more information visit [London Growth Hub](#), check out other fact sheets or email growthhub@london.gov.uk

Disclaimer

At the time of writing, the transition period ends on 31 December 2020, and the changes outlined in this fact sheet will occur from 1 January 2021. If that date slips, the changes will still happen, but at a later date. For latest updates go to www.gov.uk/transition

London Growth Hub

growthhub@london.gov.uk