



Leading UK  
Logistics

# Brexit Update

## GSF Board meeting

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## What we know

- **23 June 2016: Brexit referendum**
- **29 March 2017: UK triggers article 50**
  - 2 year negotiation process
  - **Phase 1:** Citizens' rights, **Ireland**, financial settlement, transition (withdrawal agreement)
  - **Phase 2:** Political declaration about the future relationship (non-binding)
- **14 November 2018:** Negotiator level agreement on the **withdrawal agreement**
- **12 March 2019:** 2d rejection of the withdrawal agreement in the House of Commons



## What we know

1. The UK's official leaving date is still **29 March 2019, 23:00 BST**
2. A **Withdrawal Agreement** is (still) before the House of Commons for ratification
3. If ratified by both the HoC and the EP, the agreement provides for a **Transition Period**
4. That would mean '**business as usual**' for UK-EU logistics from Brexit Day until at least 31 December 2020



## Options on the table post-20 March if WA is rejected

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If the Withdrawal Agreement is not ratified, the UK Government could:

- 1. Request an extension until 30 June 2019 or longer and:**
  - a. Seek to renegotiate a withdrawal agreement and/or political declaration (but the final outcome could still be 'No deal') OR**
  - b. Hold a second referendum on the decision to leave the EU OR
  - c. Call a General Election and seek a new mandate to govern
2. Revoke Article 50
3. Decide to leave the EU on 29 March without a Withdrawal Agreement

- Brexit has not been postponed... yet
  - The default legal date is still 29 March 2019, 23:00 BST
  - Any request for delay needs to be approved at unanimity by EU27 member states
- ‘No deal’ remains the default option UNLESS:
  - Article 50 is postponed (but risk does not go away)
  - Article 50 is revoked
  - The withdrawal agreement / an agreement is ratified
- No certainty before 22 March (at best!)

## FTA members key concerns & challenges

New admin formalities & red  
tape (costs)

Border delays

Brexit challenges

Transport (market access)

Access to skills

Tariffs & loss of trade  
facilitation measures (costs)

Reduced connectivity with the  
EU

Brexit challenges

Uncertainty related to UK/EU  
relationship

Medium-term: new trade  
deals?

- The UK Government has published information about temporary rates of customs duties on import
- Tariffs would apply in 'No Deal' situation from 29 March 2019 & for maximum 1 year
- 0 tariff, with notable exceptions
- Different treatment for developing countries & partner countries where an FTA has been 'rolled over'
- UK trade tariff tool (commodity codes, customs duties, VAT rates):  
<https://www.gov.uk/guidance/using-the-trade-tariff-tool-to-find-a-commodity-code>



# Progress of 'roll-over' programme

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## Signed trade agreements:

- Chile (association agreement)
- Faroe Islands
- Eastern & Southern Africa (ESA) trade bloc (Madagascar, Mauritius, Seychelles, Zimbabwe)
- Switzerland
- Israel
- Palestinian Authority
- Pacific islands (Papua New Guinea, Fiji)

## Signed Mutual Recognition Agreements:

- Australia
- New Zealand
- United States

- The UK Government has announced it would replicate GSP, GSP + and EBA schemes that grant preferential access to products from developing countries
- We are awaiting secondary legislation on this topic
- The UK will lose access to REX in the event of ‘no deal’ – REX-compatible proof of origin will be replaced by Form A.
- <https://www.gov.uk/government/publications/uk-trade-tariff-preferential-trade-arrangements-for-countries-outside-the-eu/uk-trade-tariff-preferential-trade-arrangements-for-countries-outside-the-eu>