



CHARTERED
ACCOUNTANTS



Is your business ready for the challenges of the end of the Brexit transition period?

At 11pm on 31 December 2020, the Brexit transition period will end, fundamentally changing the relationship between the UK and the EU.

Even at this late stage, we do not know if a trade deal will be completed in time. This means that businesses now only have a very limited period to prepare themselves for the fundamental changes ahead of them.

Therefore it is extremely important that you plan, sooner rather than later, for the challenges you may face in the next few years.

Follow our step-by-step guide to see if your business is at risk from the effects of the end of the transition period.

Step 1

Name:	<input type="text"/>		
Company name:	<input type="text"/>		
Email:	<input type="text"/>	Tel:	<input type="text"/>
Company address:	<input type="text"/>		

Income

1

Introduction of tariffs – At the moment the UK pays no tariffs to the EU as part of the Brexit transition arrangements, but new tariffs may be levied from 1 January onwards if a deal is not reached.

- | | | |
|---|------------------------------|-----------------------------|
| Could your business take a sudden introduction of tariffs? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Would the additional costs affect your cashflow? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Have you sought advice on tariffs? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Would it affect contracts/arrangements with European customers? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

2

Loss of passporting arrangements – Passporting into the EU from the UK will not be possible following the end of the transition arrangements unless a special arrangement can be negotiated.

- | | | |
|---|------------------------------|-----------------------------|
| Is your business prepared to establish overseas subsidiaries if passporting is removed? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Have you considered the cost of this? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Would you lose clients as a result if you couldn't passport? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

3

Relocation of your client base – Following the end of the transition arrangements, some businesses may see European clients withdraw from their market, due to tariffs and additional costs.

- | | | |
|---|------------------------------|-----------------------------|
| Are the majority of your clients based in Europe? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Could you afford to lose your European clients? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

4

Changes to VAT and other indirect taxes – The UK is currently bound by the EU VAT Directive, but may be forced to pull out of this arrangement.

Is your business prepared for any potential changes to VAT? Yes No

Have you sought advice about what these changes would mean? Yes No

5

Significant currency fluctuation – if a Brexit deal is not reached by the end of the transition period, we could see significant currency fluctuations.

Has your business been affected by currency fluctuations already? Yes No

Could your business sustain further drops in the price of sterling? Yes No

Have you thought about how fluctuations could affect established contracts and fees? Yes No

Is your business prepared/able to trade in different currencies? Yes No

6

Security of supply chain – disruption following the end of the transition period could affect trade between you and your suppliers.

Do you have suppliers in the EU? Yes No

Do you have suppliers, with their own suppliers in the EU? Yes No

Have the costs of European supplies already gone up due to currency fluctuation? Yes No

Have you considered how the supply chain to the EU might be affected? Yes No

Have you amended your supplier contracts to take into consideration the effects of Brexit? Yes No

Have you considered how disputes would be handled with European suppliers after Brexit? Yes No

7

The Government has laid out the principles for the 'Core Model', which relates to all goods imported and exported, regardless of which means of transport are used to move the goods.

Have you applied for an EORI number? Yes No

Are you prepared to pay or account for VAT on imported goods? Yes No

Are you prepared to determine the customs value of goods? Yes No

Have you considered the use of a customs intermediary or other methods for making customs declarations? Yes No

People

1

Restriction on inward immigration – Free Movement is set to end with the end of the transition period on 31 December.

Would this affect client relationships? Yes No

Would your firm struggle to recruit for skilled roles? Yes No

Would this affect your supplier's ability to import goods? Yes No

2

Settled status – EU citizens have until 30 June 2021 to apply for settled status in the UK so that they can continue to live and work here as they have done.

Have you discussed settled status with staff? Yes No

Are your EU staff seeking settled status, if they do not have it already? Yes No

3

Visa requirements imposed by other states – Outward travel from the UK may also be affected by the end of the transition period.

Would it affect your ability to send staff to overseas subsidiaries on secondment? Yes No

Is your business prepared for the additional administrative burden of regular visa applications to the EU? Yes No

4

Employment legislation – The UK is currently bound by EU regulations on working hours and other employment issues.

Have you thought about the impacts of the potential for rolling back the UK's existing employment law framework? Yes No

Would it require you to change employment contracts? Yes No

Are you prepared to create different rules between employees in different countries? Yes No

Alternative sources of staff resources and skills shortage – it is likely to be more difficult to recruit workers from the EU in future.

Do you expect your company to experience a skills shortage? Yes No

Would you be able to find the same talent in the UK? Yes No

Would this affect your current senior leadership team? Yes No

Have you obtained a Home Office licence? Yes No

Step 2: Preparation of a plan

During your planning for the end of the transition consider the following:

Relocation of trading

Choice of location

Have you already considered moving? Yes No

Do you already have plans to move? Yes No

Have you thought about overseas subsidiaries? Yes No

Would Brexit require you to change where you are headquartered? Yes No

Tax jurisdiction

Do you understand the implications of your move on your tax liabilities? Yes No

Could a move bring beneficial tax arrangements? Yes No

Suitable trading structure

Would your business require restructuring? Yes No

Could you gain some benefit from changing your trading structure? Yes No

4

Language issues

Do your current staff have useful language skills? Yes No

Could relocation affect your ability to communicate with clients? Yes No

5

Regulations

Have you explored the regulations in your country of choice? Yes No

Could a change in regulations affect your current operation or existing contracts and agreements? Yes No

6

Timescale

Have you consider how long a move would take? Yes No

Would your business be able to move before Brexit? Yes No

7

Government grants/funding

Could you benefit from new funding overseas? Yes No

Is Brexit likely to affect your current funding from the EU? Yes No

8

Effect on existing employees

Are staff prepared to move? Yes No

Have you consulted them? Yes No

Would redundancies be required? Yes No

9

Office costs and accommodation

Have you thought about the cost of relocation? Yes No

Do you have an understanding of overseas property laws/regulations? Yes No

Would relocation affect current rental/lease agreements? Yes No

Business activity

1

Changes to resources from increased/decreased trade

Have you considered the impact of a decline in trade from EU customers? Yes No

Would more than 50 per cent of your customer base be affected? Yes No

Would more than 50 per cent of your supplier base be affected? Yes No

Do you have sufficient reserves to make up the shortfall? Yes No

2

Liquidation of surplus trading entities

Could liquidating existing trading structures be beneficial after Brexit? Yes No

Would you be looking to liquidate any existing trading entities? Yes No

3

Recruitment/redundancy costs

Have you considered the costs of redundancies? Yes No

Have you considered the potential legal requirements of redundancy? Yes No

Have you considered the costs of recruiting new staff? Yes No

If you have any additional questions, queries or concerns, please include them below:

If you have any questions please contact us.

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