

Life after Brexit

Brexit Materialised

Four and a half years after the Brexit Referendum, on 24 December 2020 a deal between the UK and EU was finally concluded (the **Deal**). The transition period expired on 31 December 2020, with the start of a new relationship between the UK and the EU effective as of 1 January 2021.

The Deal does not provide all definitive answers but sets out a framework on how matters will be negotiated moving forwards. All the “Four EU Freedoms” are partly impacted.

Free movement of persons - Immigration & Employment

- Free movement of people has ended.
- UK adopted a points-based system for skilled workers (equal treatment EU and non-EU Citizens).
- EU Settlement Scheme open until 30 June 2021 for EU nationals who entered the UK before 31 December 2020.
- UK citizens are now subject to the EU States local requirements to live and work in EU.

Free movement of goods - Trade in Goods

- The Deal ensures that most goods traded between the EU and UK still do not face new tariffs or quotas.
- New checks were introduced at borders, such as safety checks and customs declarations.
- Rules of origin: UK companies will have to certify the origin of their exports to qualify for tariff-free access to the EU. There will be limits on what proportion of goods can be assembled from parts made overseas to qualify for tariff-free access. EU parts will count as local content.
- *Key takeaway:* businesses will still need to prepare for new procedures at borders, and if new paperwork is incomplete, it could lead to disruption.

Free movement of capital - Financial Services

- The Deal offers little clarity for firms in the financial markets. The agreement only features standard provisions on financial services, meaning it does not include commitments on market access.

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- There is no decision on “equivalence” which would allow firms to sell their financial services into the EU market from the UK.
 - The UK and EU will discuss how to move forward on specific equivalence decisions.
 - Regulatory cooperation: both the UK and the EU made a joint declaration to support enhanced cooperation on financial oversight.

Freedom to establish and provide services - Services & Qualifications

- Businesses offering services, including banking and accounting, will no longer have automatic right of access to EU market and will face restrictions.
- There will no longer be automatic recognition of professional qualifications for people such as doctors, lawyers and architects.
- Individuals will need to check each country's rules to make sure their qualification is still recognised.
- *Key takeaway:* Rather than following one set of rules for the whole of the EU, UK businesses and professionals will need to comply with the regulations in each individual country.

How can Corpag help you?

As the Deal is impacting differently to every single UK and EU business, it is highly recommended that the following steps be taken by international corporate groups as soon as possible:

- **To identify** the structures involving the UK and the EU.
- **To review** the cross-border business relationships that could have been impacted by Brexit.
- **To assess** whether changes must be implemented within cross-border structures to secure the best efficiency for the structure.

Corpag has offices in the UK and across Europe, as well as a large network of trusted advisors. We would be glad to assist you with any of the above steps and offer local support to help you navigate the complicated evolving landscape.

****Disclaimer of No Legal Advice Intended****

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