

**2019 Sustainable Industrial Processing Summit & Exhibition**

*McNeil International Symposium on Laws and their Applications for Sustainable Development*

# **Brexit: Sustaining the Future? (Part 2)**

*Presented by*

**Malcolm S. McNeil**

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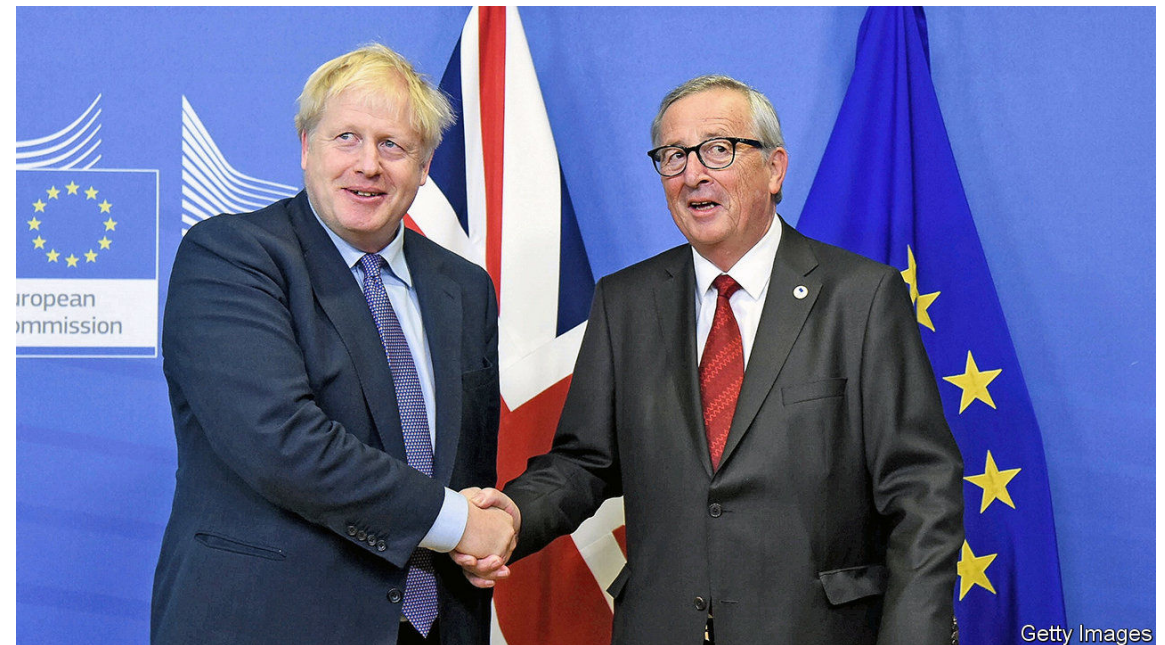
# Brexit Deadline is a week away...



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## UK and EU had murmurings of having reached a deal. It still needs to pass through both sides' parliaments. This will be no easy task.

- Prime Minister Johnson's exit plan does not yet appear to have sufficient backing in the House of Commons. Moves are afoot to upend the vote, and the specters of a disorderly Brexit and a bitter general election loom on the horizon.
- There's issues with the deal over the Irish border provisions.
- On the European side, there is likely to be a contentious vote as well.





A black and white portrait of Boris Johnson, the former Prime Minister of the United Kingdom, is centered in the image. He is wearing a dark suit jacket, a white shirt, and a dark tie. The background is a blue field with yellow and orange stars, resembling the European Union flag. Overlaid on the image is the text: "But until it's signed, nothing is set in stone. Here's what to expect in case the deal falls through."

**But until it's signed, nothing is set in stone. Here's what to expect in case the deal falls through.**

# The News is selling hysteria. Here are the facts



- No-Deal Brexit means short-term inconvenience.
- More traffic driving between France to England
- Imports for the Continent will be a little more expensive
- Newspapers will lose another story

# Operation Yellowhammer

Yellowhammer is not a Bond movie, it's the UK government's projected worst case scenario of a Hard-Brexit. Here's what it says:

- No Bilateral deals with an EU country
- Longer lines at immigration for UK travels going into EU
- Certain delays for medicines at regular prices
- Increased prices for food and fuel imported from EU
- Short-term (6 months) decrease in trade through the Channel Straights by 40%; Gibraltar sees decline as well.
- Increase in illegal fishing, border violations on the high seas, potential blockading of certain ports





# Britain has made necessary plans for a Hard-Brexit

## UK has authorized No-Deal funding

If the UK leaves the EU without a deal and should the EU cease to fund UK organizations after Brexit, the government has guaranteed £16.6bn to organizations in receipt of certain EU program funding (such as the European Regional Development Fund and Horizon 2020).



# The Hard-Brexit readiness package includes:

- UK tax authority eased import regulations, saying UK businesses trading with EU can apply for a special status allowing them to circumvent some of the hurdles caused by a no-deal. Allows importers to provide customs declarations after the goods have crossed border, and allows importers a month to pay duties via debit. UK Chambers of Commerce says the measure is “reassuring.”
- Replace EU funding for Scotland, Wales and Northern Ireland up to 2030.
- £434m in funds going towards stocking up on those imported medicines at risk from no-deal Brexit



# Meeting Climate Change Requirements in a Hard-Brexit

EU has an Emissions Trading System for businesses within member states. There is a cap and trade registry. In event of a no-deal, UK businesses will lose access to the registry. However, the UK government is informing businesses they must still continue to comply with greenhouse gas emissions monitoring, reporting, and verification requirements. UK companies that wish to remain on the EU ETS can open an account in another EU member state, or purchase open futures, options, or other derivative contracts and hedges for EU ETS registry allowances.

EU also keeps records for some UK businesses in the Kyoto Protocol National Registry. Businesses should download their records to avoid losing account access in event of a no-deal.

A new Carbon Emissions Tax will take effect after Brexit.

# Some Laws will change...

No-Deal Brexit means

- Some contracts will need to be renegotiated
- Different regulatory regimes and loss of harmonized rules and mutual recognition for a time
- Change in Intellectual Property Rights
- Change in Data Privacy

**I never agreed to a Brexit!**

- Re-negotiate short-term contracts to avoid lawsuits
- Draft new choice-of-law and jurisdiction provisions
- Force Majeure Clauses



# Short-Term Uncertainty in Regulatory Regimes

## No-Deal Scenario

- Short-Term uncertainty until UK and others nations come to agreements.

## Deal Scenario

- EU and UK agree to mutually recognize certain regulations and laws.
- Licensing and certification issues.

# Planning for change in IP rights

## No-Deal Considerations:

- Continuing conformity with CE marks?
- European Companies will need to verify their IP validity in UK
- UK will leave the EU meme ban (Article 13 Copyright Directive)



# Planning for Data Privacy Changes

- UK will leave the GDPR, but its companies will still need to abide to its rules for website visitors from the continent
- UK firms can look to how California tech companies dealt with these issues





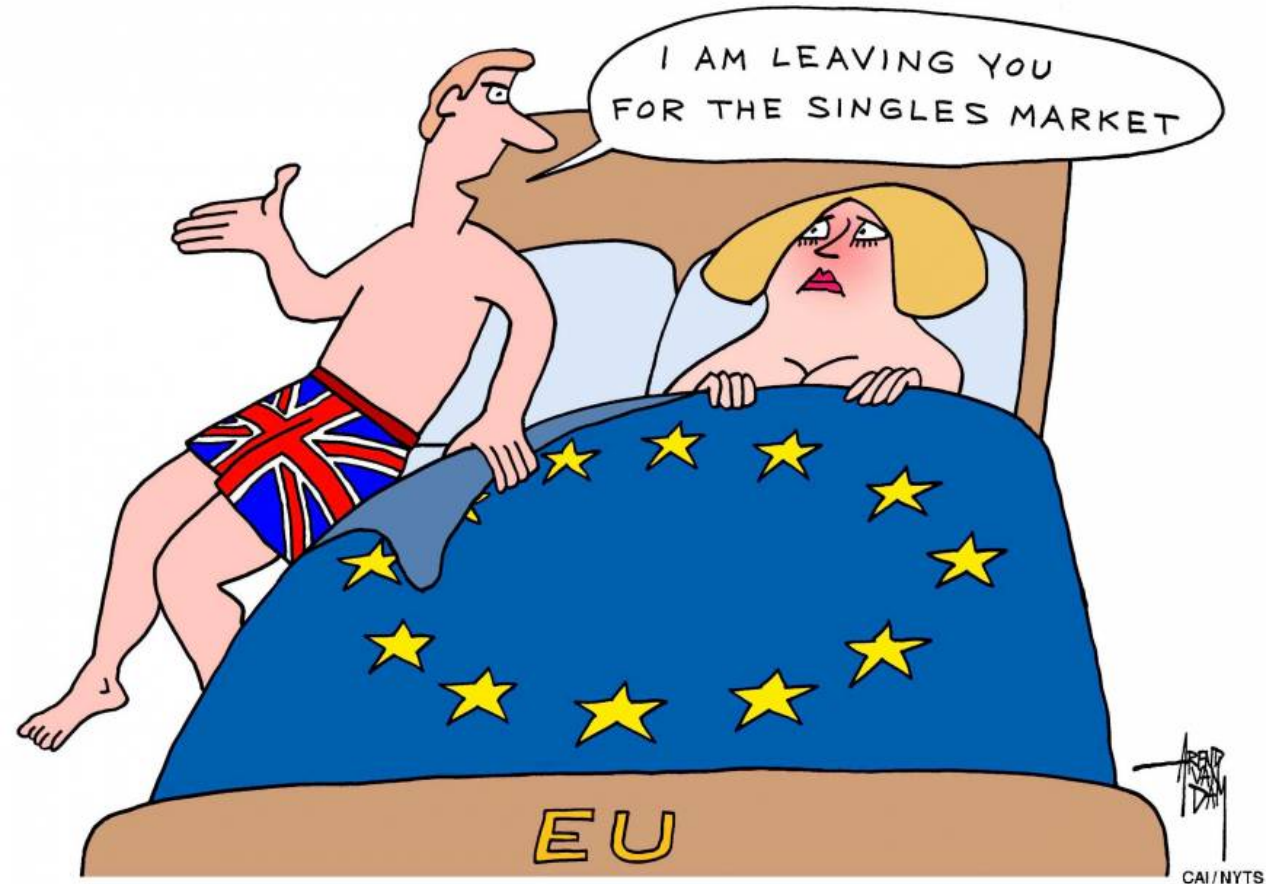
## Other legal issues to consider:

- Jurisdiction issues and enforcing cross-border judgments (In a no-deal brexit, UK will leave Lugano Convention with other EU states, but may re-enter)
- Procedural issues in cross-border legal disputes (e.g. taking evidence in country to use in another country's proceedings)
- In event of no-deal, UK will temporarily lose reciprocity with EU member states on some these issues
- Cross-border insolvencies will continue to be recognized in UK under the UNCITRAL Model law instead of the EU insolvency regulation.

## Going forward:

A Post-Brexit UK will see:

- More bilateral trade agreements
- More flexibility to experiment with new policies
- UK has always been an island, and considered itself different from the European continent



# Britain isn't the only Island, how do other countries cope without the EU?





# Without a Trans-Pacific Partnership with US, Japan inked a bilateral Trade Deal



# UK has begun to do the same

UK and Switzerland inked a new Trade Deal

- Deal covers rules of origin, preferred tariffs and quotas, non-tariff measures
- Geographic indications
- Takes effect after Brexit



## UK has been in talks to join the TPP for over a year

Japanese PM Shinzo Abe said Japan “would welcome” UK into the TPP. In Late September the Japanese Economy Minister has echoed the same sentiments in late September.





# Special Relationship?

US and UK are in talks over a deal too.

Mike Pence: “The Minute the U.K. is out, America is in.”



# Questions?

## Contact

**Malcolm McNeil**

*Partner*

213.443.7656

[malcolm.mcneil@arentfox.com](mailto:malcolm.mcneil@arentfox.com)

