



The Brexit Deal

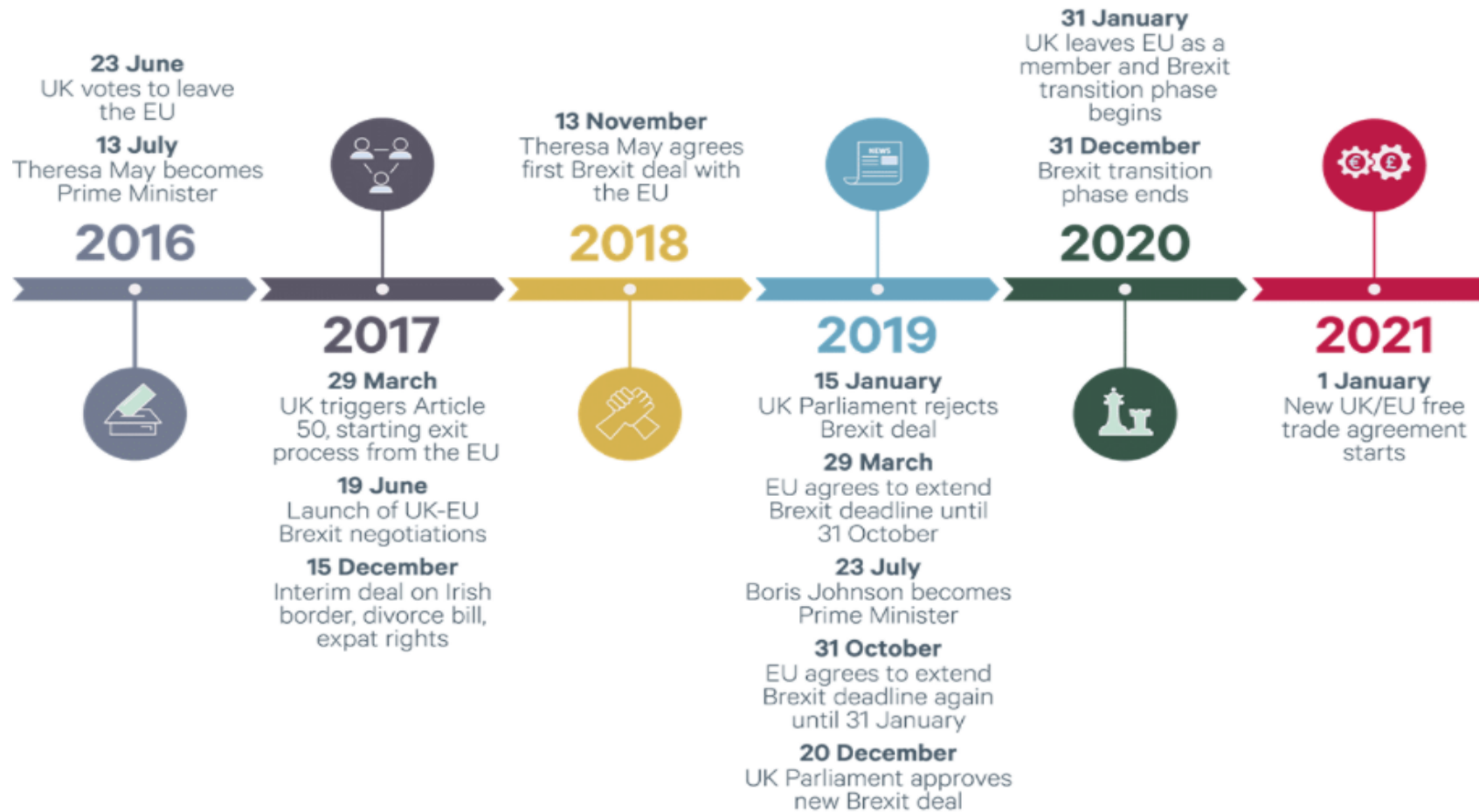
Presentation for BKR International
9 February 2021

- Brexit timetable and content of the Brexit deal
- Goods
- Services
- People
- Capital

Blick Rothenberg Brexit Hub:

<https://www.blickrothenberg.com/insights/topics/brexit-hub/>

Brexit timetable



EU/UK free trade agreement – key summary

- The UK has left the EU customs union and agreed a tariff-free deal for goods (subject to rules of origin provisions)
- The UK has left the EU single market and did not agree preferential provisions for regulated services
- Northern Ireland stays part of the EU single market for goods only (with dual VAT and Customs reporting)
- Free movement of people with the EU ended
- Restrictions for moving capital and finance
- The UK has left the jurisdiction of the European of Justice

EU/UK free trade agreement – Goods

- The UK has left the EU customs union and agreed a tariff-free deal for goods (subject to rules of origin provisions)
- Customs checks from 1 January 2021
- Proof of origin and proof of establishment required
- GB EORI and UK VAT number required
- Import VAT can be postponed if opted for and declared on the UK VAT return
- EU VAT simplifications do not apply anymore for transactions in the UK and require a VAT registration
- New distance sales/e-commerce rules

EU/UK free trade agreement – Services

- No specific preferences for regulated services (basically a no-deal)
- Professional services providers must have their qualifications approved by local authority
- Some confusion on VAT on B2C services (use and enjoyment rules)
- EU VAT simplification also not available on services (e.g. MOSS, but reverse charge provisions continue)

EU/UK free trade agreement – People

- Free movement of workers ended on 31 December 2020
- New points-based immigration system introduced on 1 January 2021
- Work visa required for EU citizens to live and work in the UK
- UK employers require a sponsorship license in order to apply for a work visa for non-UK citizens
- DTA rules for payroll taxes continue to apply
- Social security rules apply on an opt-in basis

EU/UK free trade agreement – Capital

- UK left the EU single market on 31 December 2021
- EU Directives do not apply anymore to UK/EU transactions
 - Parent Subsidiary Directive
 - Royalty Directive
 - Payment Services Directive
 - Capital Requirements Directive
 - etc...

Questions?