



Brexit Readiness Update

21 September 2020

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Last week's highlights

- The UK government's new internal market bill was voted through on its [second reading](#) in the House of Commons by 337 votes for to 263 against on Monday. The bill's primary function is to ensure the unhindered flow of goods throughout the UK, but this has proved controversial because [the Bill](#) "break[s] international law" by granting powers to override the previously agreed Withdrawal Agreement.
- EU chief negotiator Michel Barnier [maintained](#) the EU still has to understand the UK's rules on SPS (sanitary and phytosanitary checks) checks and imports and "the same objective process applies to all listed countries". He [also](#) denied the Protocol was a "threat to the integrity of the UK".

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- Commission President Ursula von der Leyen made her State of the Union [Address](#) on Wednesday. Speaking of the Withdrawal Agreement she said it **"took three years to negotiate and we worked relentlessly on it"** asserting **"we will never backtrack"**. This followed previous remarks from Commission Vice President Maroš Šefčovič who said it was up to the UK to **"re-establish"** trust.
- Democratic presidential candidate Joe Biden also made reference to the internal market bill when he [said](#) **"any trade deal between the US and UK must be contingent upon respect for the Agreement and preventing the return of a hard border. Period"**.

SMART Freight

The UK government has confirmed this week that the new smart freight system intended to ease border flows, particularly in Kent, following the end of the transition period will not be fully operational by 1 January 2021.

This has been [described](#) as a "crushing disappointment for the logistics sector" by Logistics UK and called upon the government to "prioritise the allocation of more resource to deliver the system on time, to protect the UK's supply chain".

Earlier in the week the British International Freight Association (BIFA) released the [results](#) of a survey where it found "64 percent of respondents felt they would not have sufficient staff to undertake the additional Customs-related work that will be required from January 1st 2021".

Fisheries

The Pew Charitable Trust, an NGO producing regular public policy advice, published a [release](#) on how an agreement between the UK and the EU could be found in the ongoing negotiations with respect to sustainability.

Included in their advice is that "multi-annual management should be the underlying approach by default" arguing this is of benefit to "all stakeholders". They further argue the UK and EU's "responsibilities for conservation and sustainable joint management of fish populations must take priority over other issues in the negotiations".

New EU Readiness notices

Last week, the EU Commission has published three readiness notices concerning [dual-use export controls](#), [firearms](#) and [tariff rate quotas](#) and explaining how companies should prepare for the end of the transition period, even in case of comprehensive

agreements between the UK and the EU on their future economic relationship.

As the UK will become a third country, exports of dual use goods and firearms will be subject to licenses. Additionally, rules on tariff rate quotas will no longer apply to the UK and licences issued by UK authorities or for operators in the UK will be valid only until the end of the transition period.

Furthermore, licenses issued by the UK authorities for the exports of dual-use goods and firearms will no longer be applicable for exports of these goods from the EU to third countries as of the end of the transition period. Similarly, EU licenses will no longer be applicable for exports of dual use goods and firearms from the UK to third countries.

In the Withdrawal Agreement, the EU and the UK have agreed that Northern Ireland must be treated as an EU Member State with regard to certain legislation. This will be the case for dual use goods and firearms. Therefore, shipments of dual-use items and firearms from the EU to Northern Ireland, and vice-versa, are considered as intra-EU transfers and shipments of dual-use items from Northern Ireland to a third country or to Great Britain must be considered as EU exports.

For tariff rate quotas, Northern Ireland is not to be treated as part of the Union customs territory.

CEMT Permit

Last week, the Belgian Public Service in charge of Mobility and Transportation has issued a notification ([Dutch](#) | [French](#)) to businesses active in road transport sector. The objective of this letter is to raise awareness about the possibility that the Community road haulier licence may no longer be applicable as of 1 January 2021 for shipments into, from and to the UK.

The Public Service advises businesses to request a CEMT permit before 7 October 2020. After this date, it may well be that no license are available as the number of licenses is limited. ECMT permits (ECMT = European Conference of Ministers of Transport) allows businesses to dispatch goods in international road transport between ECMT Member States.

Brexit Help Centre

Find the assistance needed for your Brexit readiness

For all your Brexit-related questions, **please contact your usual consultant** at Deloitte in Belgium, or access our [Brexit Help Centre](#), which features a directory of expert contacts, and many other resources.



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