



Brexit and its Implications for Your Firm

The divorce battle between the United Kingdom and the European Union is in full swing and the result is still unclear. Several possibilities exist as to the timeframe and the ultimate setup of the relations between the United Kingdom and the EU.

To be prepared for **the “big day”**, it is advisable to expect the “no deal” or “hard Brexit” scenario. If your firm has any connection with the UK, whether you export, import or employ British citizens, you should definitely review your current **tax, law, customs, employment and risk management** arrangements. Because Brexit in any form will ultimately significantly affect all of these areas. Without correct assessment your business can be hardly impacted. **Our ten recommendations may be of assistance to you in this respect.**

Brexit at the Eleventh Hour: Top Ten Priorities that Will Help You Prepare for Brexit

1. Designate personnel responsible for individual risks and Brexit “action points”.
2. Conduct an audit of contracts with your British partners as early as possible. If you are going to enter into a new contract with a British counterparty, do not forget to include a detailed Brexit clause.
3. Pay special attention to a review of business contracts in relation to INCOTERMS.
4. Review the tariff classification for correctness and calculate the customs, if relevant.
5. Verify the requirements of import to the United Kingdom – may the goods enter the country without a permit or licence?
6. Review all your regular transactions (supply of goods and provision of services) with UK firms. Verify whether the application of VAT will change post-Brexit.
7. Verify the amount of British VAT you have paid and so far not recovered for 2019.
8. Review whether your employees – British nationals – are residing in the Czech Republic based on a temporary or permanent residence permit. Prepare for a possible change in the recruitment of new employees from among British nationals after 31 October 2019.
9. Conduct a comprehensive impact analysis from the perspective of risk management (e.g. data privacy risks, outsourced services risks or credit and market risks), prioritise risks and determine appropriate measures for their mitigation.
10. Implement the measures you have set, review them and assess their efficiency and effectiveness – have they reinforced you?

Are you having trouble deciding the right approach to Brexit? Contact us, our specialised team will help.

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