



Brexit & its Potential Impact on EU Regulations

On 29. March 2017, the UK submitted the notification of its intention to withdraw from the EU. Pursuant to Article 50, this meant that as 30. March 2019, the UK would no longer be an EU member. To date, the UK is still a member, but on 7. June, the UK's PM, Theresa May resigned from office.

Preparing for the UK's withdrawal is not just a matter for the governmental authorities, but also for industry & its supply chains. In view of the uncertainties surrounding the ratification of the UK's withdrawal, all interested parties are to be reminded of its potential legal repercussions.



Cosmetic Product Regulation (EC) N° 1223/2009 - Legal duties assigned to the RP & their importance towards ensuring the safety of products placed on the market.

After Britain's separation, the RP (Responsible Person) based in an EU country will no longer be recognized by the UK. For businesses placing cosmetic products on the...

- EU market will need to appoint an RP located in an EU nation
- UK market will need to appoint an RP located in the UK

"In case of a 'No deal' Brexit, there appears to be no transitional period for the RP"

REACH Regulation - Chemicals are one of the UK's top manufacturing industries and exporter to the EU. The UK's chemical industry could be hard hit by leaving the EU customs union, with non-tariff barriers to trade being cited as a particular problem.

CEFIC (European Chemical Industry Council, Brussels) and London-based Chemical Industries Association have raised concerns about the UK's possible disengagement from ECHA. Agencies are concerned that establishing a separate UK agency could take years to achieve and at significant cost. For sure, impact on **REACH regulation EC Nr. 1907/2006** and those current distributors of chemicals either in the UK or EU would be critical. REACH ORs (Only Representatives) have to be considered in a similar way to the way RPs are mentioned above (OR to be located in the UK, OR to be located in the EU).

Food,

Agriculture

Before Christmas 2018, UK ministers approved nearly €2.1bill. in spending for nation borders, security and international trade, while other plans could include booking space on ferries to secure food supplies.

Leaving the EU will have significant implications for the agriculture sector in the UK. After Brexit and any transition phase, UK farmers will be operating outside of the EU's Common Agricultural Policy (CAP). This means a new domestic agricultural policy will need to be implemented. As CAP currently provides €4.53bill. to support farmers each year, will the UK government continue to offer financial support? There is also the question of regulation regarding animal welfare, food safety & pesticides. A 'No-deal' Brexit could see tariffs on exports and a danger that the UK would be flooded with cheap food.

Pharmaceuticals

On August 23, 2018, Matt Hancock UK's Health and Social Care Secretary wrote to NHS organizations, GPs, community pharmacies and other service providers. The letter sets out what the health and care system need to consider in the period leading up to 29. March, including:

- the continued supply of medical products in the event of no deal
- business continuity plans

>> ['No Deal Brexit' Brief, Matt Hancock, UK Health Secretary 23. Aug. 2018](#)

The European Medicines Agency (EMA) initiated a business continuity plan to deal with the uncertainty and workload implications linked to the potential need for the agency to relocate.

>> www.ema.europa.eu/documents/press-release/ema-prepares-brexit_en.pdf

New Brexit thinking - Brexit and the 'no deal' WTO option

If the UK left the EU without a deal, it would automatically fall back on the World Trade Organization (WTO), which is the organization where nations negotiate the rules of international trade. Currently, the WTO has 164 members and, if they don't have free trade agreements with each other, they trade under "WTO rules". Once the UK is no longer part of the EU, both sides need to find a way to work with each other's regulations and national standards. The UK as being a part of the international system, and will continue to be so after Brexit, is enabling UK experts to influence the content of those standards. One can also argue that it might seem unreasonable if the EU was to go from imposing no checks on UK products at borders the day before Brexit, to insisting on all sorts of checks one day later, even though the UK hadn't changed any of its rules and regulations.

For now we still do not know who will take over the UK's PM reigns, and in the meantime, Tory leadership rivals are split over a Brexit deadline! So speculation still exists.

It's worth remembering that 44% of all UK exports in 2017 went to the rest of the EU with no tariffs involved what so ever! That is down from 55% in 2006, but the EU is still by far the largest UK export market. So, going to WTO rules for trade with the EU would be a huge change. "It's not going to be the end of the world in the sense that trade is going to stop and that everything is going to fall down," the WTO's director general, Roberto Azevedo, told BBC News in August. "But it's not going to be a walk in the park either."

Summarizing Questions

- Will there be 'No-deal'? A call for a new general election or 2nd popular referendum?
- At the last minute, and do to industry *angst*, will the EU make some major concession to the UK?

- What about Scotland? Northern Ireland? ...Will they pull out of the UK and remain in the EU?

Last, but not least...

1. With a 72.2% voter turnout, the Brexit referendum on 23. June 2016 had only a 51.9% majority. It is quite obvious that voters were offered truly little clarity on how to achieve Brexit and in the process, a week before the Referendum, Jo Cox, a pro-EU Labour MP was murdered by a man shouting "death to traitors, freedom for Britain!"

2. With passions high, only time will tell the outcome of this current chaotic process, and suggest 'to keep your seat belts fastened, the ride looks like it may get even bumpier!'

Sources:

- www.bbc.com/news/uk-politics-48589893
- NY Times: 18. Dec. 2018
- EC Directorate-General for Internal Market, Industry, Entrepreneurship & SMEs, Brussels_29.11.18
- The Guardian, 18. Sept. 2018 / FinSMEs.uk, Ltd., 27. Nov. 2018
- www.cia.org.uk

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