



## BRIEFING PAPER

Number 8547, 12 April 2019

# EU preparations for a no-deal Brexit

By Vaughne Miller

**Contents:**

1. The European Commission prepares for 'no deal'
2. Brexit no-deal planning in the EU27



# Contents

<b>Summary</b>	<b>4</b>
<b>1. The European Commission prepares for 'no deal'</b>	<b>6</b>
'No deal' is undesirable but can't be ruled out	6
EU27 asked to step up no-deal preparations	6
EU coordinates citizens' rights guarantees	6
Commission preparedness programme and legislation	7
EU completes no-deal preparations	8
EU will help maintain Good Friday Agreement	8
Recent developments	9
Further reading	10
<b>2. Brexit no-deal planning in the EU27</b>	<b>12</b>
2.1 Austria	12
2.2 Belgium	13
2.3 Bulgaria	16
2.4 Croatia	16
2.5 Cyprus	17
2.6 Czech Republic	18
2.7 Denmark	19
2.8 Estonia	20
2.9 Finland	20
2.10 France	22
2.11 Germany	25
2.12 Greece	27
2.13 Hungary	28
2.14 Ireland	29
2.15 Italy	32
2.16 Latvia	34
2.17 Lithuania	35
2.18 Luxembourg	36
2.19 Malta	37
2.20 Netherlands	38
2.21 Poland	40
2.22 Portugal	41
2.23 Romania	42
2.24 Slovakia	43
2.25 Slovenia	44
2.26 Spain	45
2.27 Sweden	47
2.28 The EEA and EFTA	48
Norway	49
Switzerland	49



## Summary

### **A no-deal Brexit is not wanted but is still possible**

The European Union and the Government and Parliament of the United Kingdom agree that a no-deal Brexit is not what they want, but it cannot be ruled out. The UK Parliament has not approved the Withdrawal Agreement endorsed by the Prime Minister and the other 27 EU Member States (EU27) in November 2018, and without this approval and ratification of the Agreement, the UK could leave the EU without a deal. The Prime Minister asked for, and was granted, first a short extension to the Article 50 period and then a longer one, to 31 October 2019. Under a [European Council Decision](#) of 11 April 2019, the UK has until 31 October to complete ratification of the Withdrawal Agreement or leave without it on 31 May 2019.

### **The EU's no-deal preparedness programme**

If the UK leaves the EU without an agreement there will be repercussions for the EU as well as the UK. European Commission preparations to mitigate the impact of a no-deal Brexit began in December 2017, and on 25 March 2019 the Commission declared that its no-deal 'Brexit preparedness' programme was complete. The Commission has published 92 'preparedness notices' and 46 temporary legislative measures have been proposed or adopted - for example, [legislation](#) amending [EU Regulation 2018/1806](#) will allow short-stay visa-free travel for UK citizens in the EU27 states, on the basis of UK reciprocity (this will also apply in Norway, Iceland, Liechtenstein and Switzerland, which are in the Schengen area).

The Commission's programme is one of damage limitation in areas that would be most seriously affected and could create problems for the EU27 states. It includes measures in the financial sector, transport and travel, customs and the export of goods, climate policy, agriculture and fisheries, social security coordination, the ERASMUS and PEACE programmes, cooperation in the export of dual-use items, international trade in services and foreign direct investment. The new measures will, for example, facilitate road haulage, rail and aviation continuity between the UK and the EU27, or compensate fishermen for Brexit-related losses. The measures are mostly temporary (around 9-12 months) and a future EU-UK agreement is expected to provide long-term arrangements.

### **EU27 provisions on citizens' rights**

The Commission has not legislated for residence rights (which are subject to national laws on third-country entry and residence) but has [asked](#) Member States to take a "generous approach" to the rights of UK nationals already living in their territories, as long as the UK does likewise. In response the EU27 have agreed to continue many existing residence, employment and travel rights for a temporary period. In some cases, UK citizens have been offered special conditions that other third-country nationals do not enjoy, in particular where UK tourism is important (e.g. Portugal and Spain). Several Member States (e.g. Austria, Bulgaria, Croatia, Denmark, Cyprus, Italy, Malta, Romania and Slovakia) have offered permanent national 'regularisation' for UK citizens already living in the country. Most Member States have implemented at least some citizens' rights legislation, but not everything currently provided by the '[free movement Directive](#)'.

Most Member States (Belgium, Czech Republic, Estonia, Finland, France, Germany, Greece, Hungary, Latvia, Lithuania, Luxembourg, Netherlands, Poland, Portugal, Slovenia, Spain and Sweden) have planned or adopted temporary legislation providing a 'grace period' for UK nationals during which they will need to regularise their status under

national immigration laws. Several states (including Belgium, France, Netherlands and Poland) explicitly make this legislation conditional on UK reciprocity.

Several states have said they will guarantee rights if there is no deal, but have not yet done so (according to a recent [Institute for Government report](#), ten EU27 states have not yet put their contingency plans in place).

Most Member States have launched information campaigns via British Embassies in their territories, encouraging UK citizens to check their residence status and take any necessary action. They provide online information on government websites, explaining how UK citizens' legal status might change and how to get documents they need to stay in the country; most also link to UK [Government policy](#) and advice on settled status in the UK.

### **Other no-deal preparations**

Member States are implementing the EU's no-deal preparedness legislation and have also made their own plans to mitigate a no-deal impact on the economy, trade, business, services, transport and a range of other sectors. Many have planned border and customs adaptations, for example. Those with major ports (e.g. Belgium) and significant trade with UK (e.g. the Netherlands) have provided extra border infrastructure and new technology systems, and recruited extra customs or veterinary staff (e.g. France, Ireland, Poland, Netherlands, Spain). Portugal is planning to open special lanes for UK tourists at airports.

# 1. The European Commission prepares for 'no deal'

## 'No deal' is undesirable but can't be ruled out

Both sides in the Brexit negotiations agree that a no-deal Brexit would be undesirable but it cannot be ruled out. The two-year Article 50 period ended on 29 March 2019, but following the Prime Minister's request for a short extension, the no-deal exit day became 12 April. Following Theresa May's second request for an extension, exit day is now 31 October, but 31 May if the UK has not ratified the Withdrawal Agreement and does not take part in European Parliament elections.<sup>1</sup>

The EU Brexit negotiator, Michel Barnier, thought the "new dynamic" of cross-party talks in the UK "needed time to play out".<sup>2</sup> He said a no-deal Brexit would "never be the decision of the EU". But it still might be what happens and the EU institutions as well as the other 27 EU Member States have been planning for it.

## EU27 asked to step up no-deal preparations

In mid-2018, as negotiations were progressing more slowly in some areas than the Commission envisaged and the Northern Ireland border issue threatened to delay final agreement, the Commission warned the EU27 to step up their Brexit no-deal preparations. Some states had already started planning for a no-deal Brexit. France, Germany and Ireland, among others, did not wait for the European Commission's warning to begin their no-deal planning. But others, Italy and Greece, for example, initially thought a no-deal outcome was highly unlikely and their planning started later.

## EU coordinates citizens' rights guarantees

Citizens' rights guarantees after Brexit are a major part of the Withdrawal Agreement and fears about losing residence and employment rights if there is no deal increased in 2018. The rights of third-country nationals are a matter for the immigration policies of the Member States, but in November 2018 a Commission expert group proposed to the EU27 and four EFTA states a voluntary [coordinated approach](#) to national measures on UK citizens' rights, based on UK reciprocity. It [recommended](#) the following principles and objectives in the case of a no-deal Brexit:

- 1. All UK nationals legally residing in a Member State on 29 March 2019 should continue to be considered as legally residing:** the overall objective should be to assure that **no** UK citizen residing in the EU at the moment of withdrawal will be considered as illegally staying on 30 March 2019. The aim is also to avoid problems for UKinEU in case of crossing the internal and external borders of the EU after withdrawal.

---

<sup>1</sup> See [European Council Decision](#), 11 April 2019.

<sup>2</sup> *Politico Pro*, Michel Barnier: No-deal Brexit 'never' the EU's decision, 9 April 2019

**2. Voluntary coordination in spheres of national**

**competence:** Member States are encouraged to coordinate their action in the areas where they are competent, so as to ensure a coherent approach in relation to the granting of a new residence status to UKinEU citizens.

**3. Back to normal as soon as possible:** The proposed measures are of temporary nature only. As a general principle, by the end of 2019 they should be phased out and all temporary papers should be replaced by residence permits issued under EU or national law in the common format of Regulation (EC) 1030/2002.

**4. Offering flexible approaches depending on individual situation of each Member State:** Each Member State will be faced with different challenges, depending on the number of UKinEU citizen residing on its territory and its legal and administrative system. In response to this situation Member States may choose the most appropriate options and procedures, subject to the compliance with Union law.

The Commission [invited the 27 other Member States](#) “to take a generous approach to the rights of UK citizens in the EU, provided that this approach is reciprocated by the UK”. The EU27 have agreed to temporarily continue the current rights of UK citizens living in their territory on the basis of UK reciprocity for their citizens, but not all of them have adopted legislation or other measures yet to guarantee them.

The Commission has published an [overview of the measures](#) taken by individual EU Member States to protect the residence rights of UK nationals in the EU27 in the case of a no-deal scenario. The duration of ‘grace periods’ and the procedures to be followed are different (it is up to individual Member States to decide - they vary from three months initially in Germany to 21 months in Spain, for example).

The UK Government does intend to reciprocate. It will implement a ‘settled status’ regime for EU nationals in the UK, whether there is a withdrawal agreement or not.<sup>3</sup>

## Commission preparedness programme and legislation

The EU has ruled out last-minute ‘mini-deals’ with the UK if we leave without a withdrawal agreement, but the Commission started preparing for a possible no-deal outcome in December 2017. EU legislative proposals and a ‘coordinated approach’ aim to mitigate the potentially damaging impact of a no-deal Brexit in the EU27. They include measures on the financial sector, transport and travel, customs and the export of goods, climate policy, fisheries, social security coordination, the ERASMUS and PEACE programmes, cooperation in the export of dual-use items, the listing of the UK in statistics on the balance of

---

<sup>3</sup> For further information on the situation for EU citizens in the UK, see Commons Library Insight, [EU citizens in the UK and a ‘no-deal’ Brexit](#), 29 January 2019; [The status of EU citizens in the UK after Brexit](#), 18 March 2019. Department for Exiting the EU, [Citizens’ Rights - EU citizens in the UK and UK nationals in the EU. Policy Paper](#), 28 March 2019.

payments, international trade in services and foreign direct investment. For example, EU measures will facilitate visa-free travel, road haulage, rail and aviation continuity, and compensate fishermen for Brexit-related losses. Many of the measures are temporary (e.g. around 9-12 months). A future EU-UK agreement is expected to provide long-term arrangements.

### EU completes no-deal preparations

On 25 March 2019 the Commission declared that its no-deal 'Brexit preparedness' programme was complete, cautioning that "it is increasingly likely that the United Kingdom will leave the European Union without a deal on 12 April".<sup>4</sup> After the third attempt to approve the Withdrawal Agreement in the UK Parliament failed on 29 March, the Commission said a no-deal Brexit was now "a likely scenario":

The EU will remain united. The benefits of the Withdrawal Agreement, including a transition period, will in no circumstances be replicated in a "no-deal" scenario. Sectoral mini-deals are not an option.<sup>5</sup>

Commissioner Phil Hogan [said on 8 April](#): "I am confident that our planning is on-track to enable us to respond effectively and quickly to Brexit and, particularly, to a no-deal Brexit". On 10 April a European Commission [press release](#) summarised everything it had done to date.<sup>6</sup>

The Commission's 93 preparedness notices are published [here](#), and its 46 no-deal measures and legislation proposals are listed [here](#). The preparedness and contingency measures to be submitted for a vote in relevant EU Committees as at 27 March 2019 are listed [here](#).

The Commission has published several Brexit [Factsheets and Questions and Answers](#) and [Information on National Brexit information in Member States](#). For businesses, the EU has published [material](#) to help prepare for a no-deal Brexit, including a [5-step checklist](#) and a [guide to customs](#).<sup>7</sup> Staff are also being trained at a [call centre](#) dealing with enquiries about the EU from the public in the 24 official EU languages, which will be a hotline for questions about a no-deal Brexit.

### EU will help maintain Good Friday Agreement

One of the main obstacles to UK Parliamentary endorsement of the Withdrawal Agreement has been the 'Irish backstop'.<sup>8</sup> The EU's Brexit negotiator Michel Barnier [told the European Parliament](#) on 27 March

---

<sup>4</sup> European Commission press release, [Brexit preparedness: EU completes preparations for possible "no-deal" scenario on 12 April](#), 25 March 2019

<sup>5</sup> European Commission [Statement](#) on the vote on the Withdrawal Agreement in the House of Commons, 29 March 2019

<sup>6</sup> 'No-deal' Brexit preparedness: European Commission takes stock of preparations and provides practical guidance to ensure coordinated EU approach, 10 April 2019

<sup>7</sup> The state-of-play regarding UK Brexit no-deal measures was summarised by then DExEU Minister Chris Heaton-Harris in a [debate on 20 March](#) 2019 cc1073-4.

<sup>8</sup> For detailed information on the backstop, see section 8 of Commons Briefing Paper 8453, [The UK's EU Withdrawal Agreement](#), 14 March 2019 and Commons Library Insight, [The backstop explained](#), 12 December 2018.



that the EU would help maintain the Good Friday Agreement in the event of 'no deal':

In all scenarios, the Good Friday Agreement will continue to apply. The United Kingdom will remain a co-guarantor of that agreement and is expected to uphold it in spirit and in letter. The Commission is ready to make additional resources available to Ireland – technical and financial – to address any additional challenges.

It is not yet clear what all these technical and financial resources will be, but they include continued funding and support for the PEACE programme in Northern Ireland. The Commission has also proposed that the next Multi-annual Financial Framework for 2021-2027 should “continue and strengthen cross-border support for peace and reconciliation in the border counties of Ireland and Northern Ireland”.<sup>9</sup>

## Recent developments

The Commission [announced on 3 April](#) that its **business and customs preparations** were ready for 'no deal':

The overall impact of a 'no-deal' scenario cannot be mitigated, but preparations continue within Member States, supported by the Commission, and much has already been achieved to ensure that national customs infrastructure and logistics are ready to handle such a scenario. Commission and Member State outreach to businesses in the area of customs and indirect taxation, which are among the main sectors concerned, has also helped EU27 traders dealing with the UK to get ready to comply with customs obligations, if a 'no-deal' scenario materialises. [...] we are ready to face this challenge should it come to that.

On 3 April the European Securities and Markets Authority (ESMA) confirmed that it had updated its **recognition of UK clearing and settlement houses** to ensure EU firms can trade in London if there is no deal by 12 April.<sup>10</sup>

On 4 April Transport Commissioner Violeta Bulc presented the EU's contingency and preparedness measures in **air, road and rail transport**.

The measures on [air](#), [road](#) and [rail transport](#) allow for the continuation of safe basic connectivity between the EU and the UK for a limited period of time, provided that the UK maintains an adequate level of safety standards and gives reciprocal treatment to EU companies and operators. The [re-alignment of the North Sea – Mediterranean Core Network Corridor](#) adds new maritime links between Ireland, France, Belgium and the Netherlands to the core network, and introduces a new funding priority to the Connecting Europe Facility (CEF): adapting transport infrastructure for security and external border check purposes. Finally, [the revision of the Regulation on ship inspection](#) and survey

---

<sup>9</sup> Commission press release, [Brexit: European Commission implements “no-deal” Contingency Action Plan in specific sectors](#), 19 December 2018

<sup>10</sup> See ESMA press release, [ESMA has adopted new recognition decisions for the three UK CCPs and the UK CSD in the event of a no-deal Brexit on 12 April](#), 5 April 2019.

## 10 EU preparations for a no-deal Brexit

organisations aims to ensure legal certainty and secure business continuity in shipping.<sup>11</sup>

On 5 April Commissioner Karmenu Vella presented contingency measures on **fisheries**. One [measure](#) amends the EU Regulation on the Sustainable Management of the External Fleets to create a legal framework for continued reciprocal fishing access by EU and UK vessels to each other's waters in 2019. The other [measure](#) allows EU27 fishermen and operators to receive compensation for the temporary cessation of fishing activities because of Brexit under the European Maritime and Fisheries Fund.<sup>12</sup>

On 8 April the Agriculture Commissioner Phil Hogan [announced](#) "early intervention" for **agriculture** in a no-deal scenario.

On 9 April the EU's Standing Committee on Plants, Animals, Food and Feed (SCoPAFF) approved the UK's 'listed status' application, meaning the EU will recognise UK standards on **animal health and biosecurity**. But there will still be sanitary checks at the border and trade tariffs.

The EU does not intend to implement special contingency measures for **data flows** in the case of a no-deal Brexit. The Commission said in its November 2018 [Contingency Action Plan](#) (COM/2018/880 final) that the [General Data Protection Regulation](#) for data exchange with third countries will cover the immediate needs of data transfers to the UK in a 'no-deal' scenario.

### Further reading

- Commission Communication (COM(2019) 195 final), [Addressing the impact of a withdrawal of the United Kingdom from the Union without an agreement: the Union's coordinated approach](#), 10 April 2019; [Timeline for key contingency measures](#), 10 April 2019; [Annexes](#) on sectoral results.
- Commons Briefing Paper 8397, [What if there's no Brexit deal?](#) updated 8 February 2019
- Commons Library Briefing Paper 8362, [The EU27: Internal Politics and Views on Brexit](#), 18 January 2019 (in process of being updated).
- Foreign and Commonwealth Office, [Advice for UK nationals living abroad, including residency, health and benefits, including specific advice for those in affected countries as the UK leaves the EU](#)
- Institute for Government, [Other EU countries' preparations for no deal](#), 26 March 2019

---

<sup>11</sup> [Commission press release](#), 4 April 2019

<sup>12</sup> [Commission press release, 5 April 2019](#)

- BBC News, [Brexit: What are EU countries doing to prepare for no deal?](#) 30 March 2019
- Allen and Overy, [‘No deal’ Domestic Legislation Tracker](#), 20 February 2019

## 2. Brexit no-deal planning in the EU27

The following sections look at EU Member State announcements, plans and adopted measures to address the uncertainties and difficulties of a no-deal Brexit. The protection of the rights of UK citizens in EU27 states based on UK reciprocity has been a priority, and the EU27 have taken steps in the various areas that come under the term 'citizens' rights' (e.g. rights of residence, travel, employment, health, welfare and pensions). But not all Member States have put all their plans into force. The Institute for Government commented in a report published on 4 April on that "[i]n the event of no deal, it is interesting to note that: Austria, Belgium, Bulgaria, Croatia, Greece, Italy, Hungary, Poland, Romania and Slovenia have yet to put their contingency plans in place".<sup>13</sup>

In the following sections the date given for a no-deal exit is mostly 29 March 2019 (and in some cases 12 April to reflect the first extension of Article 50), but Member States would be expected to amend their measures to take account of the [European Council Decision](#) of 11 April, which extended the Article 50 deadline to 31 October 2019 and made the new no-deal deadline 31 May 2019.

### 2.1 Austria

Seeking to avoid a no-deal Brexit was one of the Austrian EU Presidency priorities in the second half of 2018.<sup>14</sup> Chancellor Sebastian Kurz said in 2018 he would rather extend negotiations than surrender to a hard Brexit if a deal on the Irish border was not agreed.<sup>15</sup> But on 4 April Foreign Minister Karin Kneissl told the *Today Programme* the EU might not be willing to offer the UK an extension beyond 22 May. She said she sympathised with French President [Emmanuel Macron's view](#) that the EU must not let itself be held hostage by Brexit.<sup>16</sup> In the event, on 11 April Austria, along with the other 26 Member States, agreed to the compromise extension to 31 October.

#### Citizens' rights

On 27 February the National Assembly approved a Bill ([BREXIT-Begleitgesetz](#)) to give UK nationals living in Austria (around 11,000) six months from exit day in which to apply for a residence permit.

UK citizens and their third-country family members residing in Austria for less than five years will have simplified access to a 'Red-White-Red Card Plus' (allowing third-country nationals to a fixed-term residence and unlimited access to employment). Those who have lived in Austria for more than five years and who meet the criteria of the Austrian

---

<sup>13</sup> IfG, [British citizens in Europe after Brexit](#), 4 April 2019

<sup>14</sup> See tweets by [Chancellor Sebastian Kurz](#), 16 January 2019.

<sup>15</sup> See *Politico*, 6 July 2018

<sup>16</sup> *The Guardian*, [UK must offer 'credible and realistic way forward' to justify new Brexit delay, says Irish PM - as it happened](#), 4 April 2019

*Settlement and Residence Act* would be able to apply for a national residence permit (*Daueraufenthalt-EU*).

The text of the Bill and all relevant documents can be accessed [here](#). The Constitutional Committee [endorsed](#) the proposals on 12 March 2019, it was approved by the *Bundesrat* on 14 March and [became law](#) on 25 March.

The Federal Chancellery has provided online information on the [Effects of a no-deal Brexit for British citizens in Austria](#) with a hotline. The Chancellery website provides information in English on [Driving](#), [Residency and access to the labour market](#), [Family benefits and child allowances](#) and [Education, studying, youth mobility and research](#).

Government departments have given presentations in the federal states on residence rights and the implications for social security in a no-deal scenario.

### **Borders and customs**

According to [Bloomberg](#), Austria did not anticipate customs problems “because the current WTO regime could handle shipments to and from the U.K”.<sup>17</sup> The Government was also confident that Austria’s banking industry was prepared for all scenarios.

### **Business and trade**

The Chancellery has published [advice to businesses](#):

In the event of a no-deal Brexit, from 30 March 2019 UK (limited liability) companies with administrative headquarters in Austria would therefore have to be regarded as partnerships with personal liability of the partners.

UK companies that have their administrative headquarters in Austria could transfer their business to a newly established or existing limited liability company (GmbH) if they want to continue as a corporation and avoid personal liability of the partners. A cross-border merger into an Austrian limited liability company (GmbH) or public limited company (AG) would also be an option.

In order to alleviate the time pressure on the companies involved, a transitional period until the end of 2020 is planned. Within this period, UK limited companies located in Austria that therefore mainly operate here will be able to transfer their business into an Austrian legal form or carry out a cross-border merger with an Austrian corporation.

## **2.2 Belgium**

On 19 February 2019 the Federal Government submitted to Parliament a draft law which aims to mitigate the consequences of a no-deal Brexit. It will enter into force only if the UK leaves without a withdrawal agreement. It aims to provide a temporary, unilateral response to the main difficulties in areas of federal government competence:

- **Asylum and migration:** residence rights for British citizens and their families

---

<sup>17</sup> [Bloomberg](#), 19 July 2018

- **Energy:** security of gas supply by Interconnector (UK) Ltd
- **Employment:** the first-job requirement for young workers of foreign origin aged under 26
- **Social affairs:** the consequences of Brexit in the various fields of social security
- **Finance:** legal changes regarding access to investment services, and to the statutory footing of and oversight of companies providing capital management and investment advice
- **Economy:** new rules on the running and oversight of insurance brokers conducting 'authorised subscriber' activities<sup>18</sup>

### Citizens' rights

On citizens' rights the draft law offers a transitional period to the end of 2020 in which the residence rights of UK citizens will be guaranteed. This period can be amended by Royal Decree and the scope can be changed if the context changes (e.g. a withdrawal agreement entering into force or the UK not reciprocating).<sup>19</sup>

UK citizens whose residence permits run out in this period can have them extended until the end of the period. Applications for UK citizens and their family members pending on 29 March 2019 will be handled according to the rules applicable before exit day (i.e. on the basis of the [free movement Directive](#) 2004/38/EC), as will family reunification for UK citizens who exercised their free movement rights before 29 March.

The federal Council of Ministers has adopted a Royal Decree to regulate the employment of UK nationals. It guarantees their right to continue working in Belgium until 31 December 2020. EU rules on the coordination of social security systems will be temporarily extended, subject to UK reciprocation, in Federal Government areas of social security law (this excludes family benefits and certain long-term care benefits). Further information is available on the Belgian Immigration Office website [here](#) with some information in English [here](#).

### Borders and customs

The Port of Antwerp is the second largest in Europe, and maintaining its operation has been a priority for the Belgian Federal Government. Open Europe summarised border preparations:

The Belgian customs administration has also [set up](#) an internal committee which will be responsible for the extra infrastructure and for training the new staff. It has drawn up a list of potential items that may be needed after Brexit, which [reportedly](#) includes more luggage scanners, sniffer dogs, manual scanners, drones to survey the coastline, a submarine to examine ships in the North Sea, as well as vehicles, computers, work spaces, and uniforms. There are also plans to coordinate with neighbouring countries, the European Commission, Belgian ports and airports.

Special attention is being devoted to the ports of Zeebrugge and Antwerp, which are big re-exporters of goods to the UK.

---

<sup>18</sup> [Belgian Government news](#), 22 February 2019

<sup>19</sup> CMS Law-Now, [Belgium braces for Hard Brexit with draft law](#), 12 March 2019

Together with the Dutch ports they [account](#) for the majority of total inbound and outbound traffic with Britain's ports. The CEO of Zeebrugge, which has 46% of its traffic with the UK, [has claimed](#) the port will be ready for Brexit. It is building a digital platform to speed up bureaucratic procedures, and [thinks](#) it may be better equipped than some competitors, because it specialises in people-free freight.<sup>20</sup>

Belgium is increasing its customs force by 386 to 3,486 and the Finance Ministry says it is investing in drones for surveillance of the coastline and North Sea.<sup>21</sup>

### **Economy, business and financial services**

In September 2018 the Government introduced an online tool, the '[Brexit Impact Scan](#)' to help businesses assess their preparedness for Brexit, including 'no deal'. *Politico Pro* reported on 3 March 2019 that "More than 19,000 companies have taken advantage of the tool, two-thirds of them in the country's northern region of Flanders; about 85 percent of Belgian firms exporting to Britain are Flemish".<sup>22</sup>

Under the law the Federal Government will be able to grant transitional relief to financial services companies and ensure the continuity of agreements concluded between UK financial services firms and their clients in Belgium.

The Government has published advice to businesses [online](#), as have the regional governments in [Flanders](#), [Wallonia](#) and [Brussels](#).

[Flanders News](#) reported on 16 January 2019:

Only one in five Belgian businesses trading with Britain is ready to fulfil customs formalities on shipments bound for the UK after it leaves the European Union at the end of March. An estimated 25,000 Belgian companies trade across the English Channel. Today 20,000 remain unprepared.

Flemish Minister-President Geert Bourgeois has suggested the EU27 should agree a budgetary fund – a 'Brexit guarantee fund' – and more flexible state aid rules to help regions impacted by a no-deal Brexit. He referred to a study by the University of Leuven, which concluded that a no-deal Brexit would mean the loss of 2.6% of Flanders' GDP and the loss of 28,000 jobs (Flanders exports to the UK include cars, chemicals, pharmaceuticals, minerals, machinery, plastics, food and textiles).

### **Energy**

Brexit Interconnector (UK) Ltd<sup>23</sup> will lose its 'EU interconnector' qualification specified in the *Belgian Gas Act* of 12 April 1965. As Belgian law does not allow for gas transport through interconnectors between Belgium and third countries, the draft law recognises

---

<sup>20</sup> Open Europe, [The view from Brussels: How are the EU27 preparing for a 'No Deal' Brexit?](#) Pieter Cleppe, 30 August 2018

<sup>21</sup> *Bloomberg News*, [How EU Nations Are Ramping Up Preparation for a No-Deal Brexit](#), 15 January 2019

<sup>22</sup> See also Bloomberg News, [How EU Nations Are Ramping Up Preparation for a No-Deal Brexit](#), 15 January 2019.

<sup>23</sup> Interconnector (UK) Limited operates a pipeline transporting natural gas to and from the EU and operates in the UK (Bacton) and Belgium (Zeebrugge).

Interconnector (UK) Ltd as an interconnector and certain provisions in the Belgian Gas Act would, with EU approval, continue to apply to Interconnector (UK) Ltd in the event of a no-deal Brexit.<sup>24</sup>

## 2.3 Bulgaria

*Bloomberg* reported in July 2018 that Bulgaria was preparing for the risks of three possible Brexit scenarios: a comprehensive agreement, a partial agreement, and no deal. The Government would “develop a detailed action plan for the three scenarios”.<sup>25</sup> On 30 January 2019 the Government approved the negotiated Withdrawal Agreement along with an action plan for a no-deal Brexit.<sup>26</sup>

### Citizens’ rights

The rights of UK citizens in Bulgaria will be regulated by the Law on Foreigners, but the Government has proposed amendments to this law that would continue their current residence rights. The Bill provides a procedure for the re-registration of qualifying UK nationals, which will give them a special status allowing them to keep the same terms and conditions as EU nationals exercising free movement. The provisions are based on reciprocal UK measures. UK citizens legally resident in Bulgaria on exit day will have until 31 December 2020 to re-register. It will take a month from application for the residence permit to be issued and applicants will be given a temporary permit for that period. The administrative fee will be the same as that for EU citizens.

## 2.4 Croatia

Croatia has been preparing for different Brexit scenarios, based on the principle of reciprocity. Prime Minister Andrej Plenković said on 15 March that the Government would soon present comprehensive information on Croatia's no-deal preparations.<sup>27</sup> The Government has tasked all central government bodies “with completing the necessary activities within their remit to be prepared for that scenario”.<sup>28</sup> Mr Plenković was open to the idea of extending the Article 50 deadline.

On 29 March President Kolinda Grabar-Kitarović said Europe would be stronger after Brexit and that Brexit would “not have a strong impact on Croatia”. She also thought “cooperation with Great Britain may even become stronger after their departure”.<sup>29</sup> The Agriculture Minister Tomislav Tolušić also thought Brexit “and the consequent reduction of the EU budget will not affect subsidies for Croatian farmers from EU funds in the new financial perspective”.

---

<sup>24</sup> See also HM Government Guidance, [Trading gas with the EU if there's no Brexit deal](#), updated 25 March 2019.

<sup>25</sup> *Bloomberg News*, [How Europe Is Bracing for Messy Brexit: Dogs, Drones, Do Nothing](#), 19 July 2018

<sup>26</sup> *The Sofia Globe*, [Bulgarian Cabinet approves Brexit withdrawal agreement, no-deal action plan](#), 30 January 2019

<sup>27</sup> *Total Croatia News*, [Croatia Preparing for All Possible Brexit Scenarios](#), 15 March 2019

<sup>28</sup> *Ibid*

<sup>29</sup> *Total Croatia News*, [Croatia Preparing for Brexit](#), 29 March 2019



### **Citizens' rights**

On 28 March the Croatian Parliament debated bills on preparations for UK exit to enable UK citizens to retain their existing rights in Croatia.

Croatia will amend its Aliens Act using an urgent procedure to provide for the retention of the residence status and working rights of UK nationals (fewer than 1,000) and their family members who on exit day have already registered their temporary or permanent residence, or have been issued with a residence card. Residence documents already issued under the Aliens Act will be recognised as temporary national residence permits for UK nationals and will be valid for up to one year from the entry into force of the amended Act.<sup>30</sup>

Under another bill UK citizens will have health insurance coverage for up to a year after Brexit if there is no deal, provided the UK reciprocates.

The British Embassy in Zagreb is offering no-deal advice for UK citizens on [Facebook](#).

### **The economy**

In spite of the President's confidence that a no-deal Brexit would not damage the economy, the Croatian tourist industry has been concerned, "due to the general uncertainty, and also because British guests are among the best-spending".<sup>31</sup>

## **2.5 Cyprus**

Cyprus is preparing both for the effects of 'no deal' in Cyprus and for any repercussions affecting the operation of UK Sovereign Base Areas (SBAs) in Cyprus, in particular for Cypriot citizens working on the bases and for goods entering and leaving the SBAs. Government Spokesman Prodromos Prodromou said in January that the Cyprus Government had been preparing for a no-deal Brexit for a long time and that the Ministry of Foreign Affairs had a general strategic plan to mitigate the consequences.<sup>32</sup> In mid-March Foreign Ministry spokesperson Demetris Samuel said Cyprus was stepping up its no-deal preparations.<sup>33</sup>

### **Citizens' rights**

Cyprus intends to protect the residence rights of UK nationals and their family members. Most of the provisions of the Withdrawal Agreement will be implemented and residence documents issued under the free movement Directive will continue to be valid until replaced. New

---

<sup>30</sup> See also Croatian Ministry of Interior, [Information concerning the future relations between the United Kingdom and the European Union](#), 14 March 2019.

<sup>31</sup> *Total Croatia News*, [Brexit Fears: Will British Tourists Abandon Croatia?](#) 23 January 2019

<sup>32</sup> *Stockwatch*, [Cyprus gets ready for a no-deal Brexit](#), 29 January 2019

<sup>33</sup> *In-Cyprus*, [Cyprus Intensifies Preparations for "No-Deal" Brexit](#), 13 March 2019

legislation will apply to UK nationals and their family members resident in Cyprus on 29 March 2019.<sup>34</sup>

### **Sovereign Base Areas**

In the November 2018 Withdrawal Agreement a Protocol on the Sovereign Base Areas in Akrotiri and Dhekelia would more or less preserve their current situation. Foreign Affairs Minister Nikos Christodoulides said on 17 January 2019 that in the event of a no-deal Brexit an “interim solution” would be applied for the SBAs. The UK and Cypriot Governments are seeking an agreement with the EU that would secure the future operation of the SBAs. Cypriot citizens who live and work on the bases would be allowed to carry on doing so.<sup>35</sup> Under the Protocol agreed when Cyprus joined the EU in 2004, EU law applies to customs, value added tax, agriculture and fisheries, so if there is a no-deal Brexit, there might have to be customs checks at SBA-Cyprus borders.

*Reuters* reported on 27 March:

With no deal, the SBAs, which comprise three percent of Cyprus’s land mass and are a farming breadbasket, could be thrown into legal limbo. Trade is an EU competency, which means any arrangement cannot be hammered out bilaterally between Nicosia and London.<sup>36</sup>

*Sky News* reported in January that as part of ‘Operation Yellowhammer’,<sup>37</sup> “Britain has begun stockpiling food, fuel, spare parts and ammunition at military bases in Gibraltar, Cyprus and the Falklands in case of a no-deal Brexit”.<sup>38</sup>

## 2.6 Czech Republic

The Government has carried out an analysis of the legislation needed to prepare for a no-deal scenario. It has also looked at existing and past bilateral agreements between the Czech Republic and the UK, with a view to possibly renewing them or introducing a similar legal framework.

### **Citizens’ rights**

On 7 January 2019 the Government approved a [Bill](#) (Lex Brexit) that will temporarily regulate relations between the Czech Republic and the UK if the UK leaves the EU with no deal. The [Act](#) was signed by the President on 7 March 2019. It will enable the UK citizens and their family members with a valid residence permit in the Czech Republic to stay

---

<sup>34</sup> Government of Cyprus, [Withdrawal of the UK from the EU and Euratom: residence rights and residence documents in the Republic of Cyprus in a ‘no-deal’ scenario](#).

<sup>35</sup> *Greek Reporter*, [UK Ready To Agree On British Bases in Case of No-Deal Brexit](#), 26 February 2019

<sup>36</sup> *Reuters*, [Cyprus Backstop? Ireland is not the only island with Brexit muddle](#), 27 March 2019

<sup>37</sup> Codename used by the HM Treasury for cross-government no-deal contingency planning for the possibility of a no-deal Brexit.

<sup>38</sup> *Sky News*, [UK begins stockpiling at military bases to prepare for no-deal Brexit](#), 26 January 2019

legally after 29 March 2019 until 31 December 2020. Safeguarding the rights of UK citizens is conditional upon UK reciprocity.

## 2.7 Denmark

Denmark has established a 'Brexit taskforce' to prepare contingency plans. 'No deal' is expected to have a significant impact on Denmark's food export industry.

### Citizens' rights

On 2 October 2018 Prime Minister Lars Løkke Rasmussen assured UK citizens living in Denmark that "no matter the end result of the negotiations", they would be looked after.<sup>39</sup> UK residents and their family members would be able to stay and work in Denmark if there is no deal. Legislation was submitted to the Parliament (the *Folketing*) in February. It envisaged maintaining the status quo for an open-ended period until a permanent solution is implemented. On 19 March 2019 the Parliament adopted the Bill ([no. L 166](#)). It will only enter into force if there is a no-deal Brexit.

[Act no. 264](#) of 25 March 2019 (*the Danish Brexit Act*) extends current rules on right of residence for UK citizens and their family members, regardless of nationality, who are legally residing and/or working in Denmark in accordance with EU free movement rules on exit day.

UK residents must apply for a registration certificate or residence permit if they do not have one. Eligible UK residents and their non-EU family members can apply for permanent residence during the grace period.

Full details of the provisions are on a Danish Government websites, [If the Withdrawal Agreement is not approved, BREXIT: How does it affect you as a British citizen living in Denmark?](#), [How does Brexit affect you?](#) and [Q & A regarding no deal-scenario](#).

### Borders and customs

Lars Løkke Rasmussen told the new Danish Parliament in October 2018 the Government was "employing customs officers and preparing the system". An extra 50 customs officials are reported to have been recruited.

The Danish 'What does Brexit mean for your business?' [website](#) asks businesses questions to help them identify how different Brexit scenarios, including 'no deal', could affect them.

### Extra payments to EU

The Government has set aside 700 million kroner to cover extra payments to the EU. Finance Minister Kristian Jensen said in August 2018 that he did not expect Brexit to "materially impact the 2019 budget structurally, so the budget will be stable and reliable. But what

---

<sup>39</sup> [The local.dk, Brexit is 'tragedy', Danish government will 'look after' Brits in Denmark: PM](#), 2 October 2018; [YouTube](#), 2 October 2018

actually will happen is that our payment to the EU may change if we get a hard Brexit".<sup>40</sup>

## 2.8 Estonia

### Citizens' rights

The Ministry of Foreign Affairs provides information on the rights of UK citizens living in Estonia in the event of a no-deal Brexit. UK citizens living in Estonia and their family members will be able to continue living there legally on the basis of reciprocity. UK citizens who have lived in Estonia for at least five years and have the right of permanent residence under the *Citizen of the European Union Act* can acquire a long-term residence permit. If they have lived in Estonia for less than five years they can apply for a permanent residence permit. UK citizens who arrive in Estonia after Brexit must apply for a residence permit as third-country nationals under the terms of the Aliens Act, but the Government has proposed exempting UK citizens from the immigration quota (the exemption already applies to US and Japanese citizens).<sup>41</sup>

On 21 February 2019 the Estonian Parliament (*Riigikogu*) passed the [Act on Amendments to the Citizen of the European Union Act and Other Acts \(Withdrawal of the United Kingdom from the European Union\)](#) on the conditions for UK nationals living in Estonia after either an ordered or a no-deal Brexit.<sup>42</sup>

Additional information is available on the Ministry of the Interior website, [What will change for citizens of the United Kingdom who are presently residing in Estonia](#) and Estonian Ministry of Foreign Affairs, [What do you need to know with regard to Brexit?](#)

### Business and trade

The Government provides advice on preparing for 'no deal' including sector-specific preparations, by comparing EU law in certain sectors with the EU-Canada Comprehensive Economic and Trade Agreement (CETA).<sup>43</sup>

## 2.9 Finland

The Government has instructed ministries to prepare for any outcome in the Brexit negotiations. One of its main concerns is the aviation industry. In mid-2018 "no concrete contingency preparations" had started,<sup>44</sup> but the EU's aviation contingency measures will provide a temporary

---

<sup>40</sup> *Bloomberg*, [Hard Brexit? Denmark Prepares for Worst with Budget Reserve](#), 30 August 2018

<sup>41</sup> See also Estonian Parliament press release, [The Riigikogu safeguards the future of the British living in Estonia after Brexit](#), 21 February 2019.

<sup>42</sup> Estonian Ministry of Foreign Affairs, [What do you need to know with regard to Brexit?](#)

<sup>43</sup> Ministry of Foreign Affairs, *ibid*

<sup>44</sup> *Bloomberg*, [How Europe Is Bracing for Messy Brexit: Dogs, Drones, Do Nothing](#), 19 July 2018

solution.<sup>45</sup> The Finnish Transport and Communications [Agency stated on 28 February 2019](#):

Efforts will be made to secure direct air connections between the United Kingdom of Great Britain and Northern Ireland (UK) and the EU even if the UK leaves the EU without an agreement. Nevertheless, the UK's departure from the EU may have impacts on the smoothness of air travel, particularly for continuing flight connections via the UK. The route options and choices currently available may become more restricted.

Brexit will not have any impact on the safety of air travel – flying will continue to be just as safe as before.

### **Citizens' rights**

On 7 February the Government submitted to Parliament a Bill which provided that in the event of a no-deal Brexit, chapter 10 of the Aliens' Act would apply for a fixed period of time (until the end of 2020) to UK citizens and their family members who had registered their residence before exit day. They would be entitled to rights of residence, employment, work and study, to practise a profession and to receive social security benefits.

The Finnish Parliament (*Suomen Eduskunta*) adopted the [Act](#) and it will apply from the date of UK withdrawal without an agreement. UK citizens and their family members will not need to do anything in order to continue to live in Finland, but they are advised to register their right of residence with the Finnish Immigration Service. UK citizens can also apply for a residence permit by going in person to the Finnish Immigration Service to give their biometrics (all third country nationals are required to provide their biometrics).

Detailed information is available on the [Immigration Service website](#) and the following websites:

- Prime Minister's Office: [Information about Brexit](#)
- Ministry of the Interior: [Consequences of Brexit in the Ministry of the Interior's administrative branch](#)
- Immigration Service: [Registering an EU citizen's right of residence](#)
- Ministry of Social Affairs and Health: [Information about Brexit](#)
- Ministry of Economic Affairs and Employment: [The impacts of a no-deal Brexit on business and industry](#)
- Transport and Communications Agency: [The impact of Brexit on UK citizens in Finland. Driving licence](#)

---

<sup>45</sup> Proposals for an EU Regulation to ensure temporarily (for 12 months) the provision of certain air services between the UK and the EU and for a Regulation to extend temporarily (for 9 months) the validity of certain aviation safety licences.

### **Business, trade and financial services**

The Government has provided information on the possible consequences for [Finnish customs and businesses of a no-deal Brexit](#), with advice on how to prepare.

The Ministry of Finance provided the following information on a new financial services Act:

Steps are being taken at national and EU level to prepare for the financial services impact of a 'no-deal Brexit' scenario, where the United Kingdom would exit the European Union without a withdrawal agreement.

[...]

an Act amending the Act on Investment Services entered into force on 20 March 2019. According to the Act, third-country firms can, under certain conditions, continue to provide investment services in Finland to professional clients without having to set up a branch. The firm is required to apply to the Financial Supervisory Authority for an operating licence through a fairly simple process. In the statement of reasons accompanying the legislative proposal, reference is made to the possible problems of interpretation that may arise in securing the continuity of over-the-counter derivatives contracts if an operating licence is not applied for. In such cases the Financial Supervisory Authority can issue an interpretation decision on whether or not the business activities in question require an operating licence.

## **2.10 France**

France has been preparing for Brexit for over two years and Prime Minister Édouard Philippe said in August 2018 that France would be ready in the event of a 'cliff edge' Brexit. He "tasked ministers to prepare contingency measures that would be necessary... to mitigate the difficulties linked with this unprecedented challenge".<sup>46</sup>

The Government has published guidance on 'no deal' for businesses and the Customs Authority has [organised regional meetings](#) to answer questions from businesses about how Brexit could change customs procedures.

### **Citizens' rights**

France has adopted measures on the status of UK citizens living in France (around 150,000). [Ordinance n° 2019-76](#) of 6 February 2019 contains measures on the entry, residence, social rights and professional activity of UK citizens living and working in France in the event of a no-deal exit.

UK citizens will be able to stay in France without a residence permit for one year after Brexit under a simplified application process and on the basis of reciprocity. During this time they can obtain a residence card if they have lived in France for more than five years or a residence permit

---

<sup>46</sup> [France24, France and Germany are making contingency plans for a no-deal Brexit, with Paris looking at residency issues and Berlin examining medical supply chains with the UK](#), 29 August 2018

if they have lived in France for less than five years. Around 1,700 UK nationals working in France's civil service will keep their work status. They will be granted the same health coverage they currently have as EU citizens for two years after Brexit day.

With regard to social rights and benefits, UK nationals living in France who receive the *Revenu de solidarité active* on exit day will continue to be eligible to continue to receive it for one year. This measure ensures the continuity of healthcare coverage under current EU law provisions for a period of two years.

### **Business and trade**

In October 2018 the Government published a [draft bill](#) providing for measures to be taken in the event of 'no deal' to reinstate checks on goods and passengers going between France and the UK, and inspections of food, plants and live animals. *BBC News* has summarised the Bill.<sup>47</sup> The Senate debated Brexit preparedness on 6 November 2018 and the National Assembly on 11 December.

On 17 January 2019 Édouard Philippe [announced](#) that the Government would introduce five proposals under an emergency procedure as part of its no-deal Brexit planning and the triggering of €50 million preparedness fund for infrastructure at ports and airports so that they would be operational from 30 March.<sup>48</sup>

In addition to measures on citizens' rights, the other measures concerned:

- Emergency infrastructure at borders (customs checks, sanitary and phytosanitary checks);
- UK transport companies to continue to operate in France and security at Eurotunnel.
- Continuation of certain financial activities such as insurance after loss of financial 'passport';
- Transfer of defence materials between France and UK.<sup>49</sup>

The Prime Minister also vowed to "defend the interests of French fishermen and defend the interests of fishing sites and businesses involved in this crucial economic sector".<sup>50</sup>

The Government adopted [Ordinance n° 2019-48](#), 30 January 2019, on trade in the defence and space sector, which will enter into force on the date of a no-deal Brexit. It will allow the supply of products and materials to the UK through the continuation of licences and transfer authorisations issued under certain Articles in the Defence Code (L.2335-10 and L.2335-18) for up to three years.

### **Borders and customs**

---

<sup>47</sup> *BBC News*, [Reality Check: What are EU countries doing to prepare for a no-deal Brexit?](#) 6 November 2018

<sup>48</sup> [Prime Minister's press release](#), 17 January 2019

<sup>49</sup> Government news, [France triggers contingency plan in the event of no-deal Brexit](#), 17 January 2019

<sup>50</sup> *Ibid*

The port of Calais has acquired 42 acres of land which could be used for customs inspection posts and storage. The Port authorities want to test a new 'Fastpass' virtual queuing system, involving preloading passport and cargo information to speed up border inspections.<sup>51</sup> Hauliers will be able to complete customs documents online before arriving at the port.<sup>52</sup>

The Government said in January 2019 that it would recruit 580 extra officials - under the 2019 Finance Act (customs officials, veterinary inspectors etc) - to deal with increasing flows of goods and people. The Customs Authority has produced detailed online [information \(in French\)](#) for businesses on how to prepare for Brexit and a [portal](#) for businesses worried about how they might be affected by Brexit, including 'no deal'.<sup>53</sup>

[Ordinance n° 2019-36 of 23 January 2019](#) contained miscellaneous provisions for adjustments and temporary exemptions to prepare for the restoration of border controls with the UK. In February 2019 the Directorate General for Customs and Excise published [guidance](#) for businesses importing/exporting goods from or to the UK: [Brexit Information for border users in a "no-deal" Brexit scenario](#).

On 13 March 2019 the Government published updated details of infrastructure enhancements, including the recruitment of 700 extra customs officers, and:

A 14 million-euro budget has been provided for in order to increase customs officers' pay – a strong measure to improve their working conditions and purchasing power. The budget will be entirely funded by savings made within the Ministry, without involving any staff cuts.<sup>54</sup>

### Road transport

The new measures set out in [Ordinance n° 2019-78](#) of 6 February 2019 provide that, subject to UK reciprocity, UK hauliers will be able to continue to "carry out road transport operations for the movement of goods or people on national territory, on behalf of third parties or on their own account. This concerns operations between France and the United Kingdom, transit as well as the carrying out of cabotage operations".

The French provisions will remain in force until 31 December 2019 unless an agreement is reached with the UK; and if negotiations on an agreement have already started, the emergency measures could be extended to 31 December 2020 to avoid any gaps in provision.

The Government recognises the importance of keeping Channel Tunnel traffic flowing, acknowledging that "it is necessary to protect the existing legal framework concerning the security rules applicable to

---

<sup>51</sup> *The Guardian* [Dover-Calais 'facing economic catastrophe' due to Brexit](#), 17 July 2018

<sup>52</sup> *Daily Express*, [France's Brexit nightmare: Calais port faces 17 MILE tailbacks in no-deal Brexit](#), 20 December 2018

<sup>53</sup> Prime Minister, [Communiqué de Presse, 17 January 2019](#)

<sup>54</sup> Government news, [France is continuing its preparations for a no-deal Brexit](#), 13 March 2019



actors involved in operating the tunnel, as well as to passengers travelling to or from the United Kingdom".<sup>55</sup> The provisions will come into effect if the UK leaves with no deal.

### Financial services

The Government has drafted measures to guarantee continuity of access for French entities to UK interbank settlement, adaptations enabling the main framework contract for derivatives and rules to ensure a smooth transition in the management of collective investment.<sup>56</sup> The contingency measures on financial services were adopted on 6 February in [Ordinance n° 2019-75](#). They are summarised [here](#).<sup>57</sup>

## 2.11 Germany

Chancellor Angela Merkel announced in October 2018 that her Government was preparing for all Brexit options, including the possibility of a no-deal Brexit.<sup>58</sup> A cross-ministerial Brexit Task Force headed by Axel Dittmann in the Foreign Ministry and a dedicated Brexit team in the Finance Ministry are leading on Brexit. The Foreign Ministry has set out the Government's no-deal contingency plan as follows:

- They have been drawn up as transition or emergency measures, are of a temporary nature only and are defined as narrowly as possible in terms of their field of application.
- The aim is to cushion undue hardship and in certain narrowly defined cases to protect the principle of good faith.
- As far as possible, they will deflect disadvantages for German and EU27 nationals and companies.
- The idea is to clearly delineate the difference between EU membership and non-membership.
- Finally, they are to fundamentally remain unilateral. It is not in the interest of the German Government to conduct negotiations with the UK on individual regulatory areas that would lead to a "Brexit à la carte".<sup>59</sup>

Reports and surveys have suggested that a no-deal Brexit could mean a greater German contribution to the EU budget and the loss of thousands of jobs.<sup>60</sup>

---

<sup>55</sup> French Government, [Various measures related to the United Kingdom's withdrawal from the European Union](#), 7 February 2019

<sup>56</sup> French Government, [Various measures related to the United Kingdom's withdrawal from the European Union](#), 7 February 2019

<sup>57</sup> Government news, [Various measures related to the United Kingdom's withdrawal from the European Union](#), 7 February 2019

<sup>58</sup> *Financial Times*, [Merkel's no-deal Brexit warning amid contingency planning](#), 17 October 2018

<sup>59</sup> Federal Foreign Office (English version), [Prepared for any eventuality – how the German Government is getting ready for Brexit](#), 4 April 2019

<sup>60</sup> See, e.g. The Times, [No-deal Brexit threatens 100,000 German jobs](#), 11 February 2019; Deutsche Welle, [Germany faces hefty bill from hard Brexit, says EU's Günther Oettinger](#), 27 December 2018;

### **Citizens' rights**

Preparations for Brexit include provisions on the status of the estimated 100,000 UK citizens living in Germany both with the Withdrawal Agreement<sup>61</sup> and without.<sup>62</sup> If there is no deal UK citizens living in Germany will have an initial period of three months during which their rights to live and work there will not change. But they will have to apply for residence permits during that period. UK citizens who apply for German citizenship ahead of a no-deal Brexit will be treated as EU citizens.

The Federal Ministry of Interior has published updated terms and conditions applicable to UK citizens in Germany if there is no deal, including a longer transition period, easier access to the German labour market and residence permits for UK nationals currently living in Germany and for those planning to move to Germany after 12 April 2019.

Other [legislation](#) would allow both German and UK students to benefit from educational grants until the end of their current study period if they started the course before a no-deal Brexit, based on the principle of good faith and reciprocity.

Provisions concerning a no-deal Brexit are explained in an Interior Ministry Q&A on the impact on citizens' status rights in relation to Brexit: [What happens in case of an unregulated exit? Will Britons be obliged to leave Germany immediately?](#)

### **Borders and customs**

Germany's preparations include "the recruitment of additional personnel to deal with a less open economic relationship with the UK".<sup>63</sup> The 2019 Federal Budget approved an additional 900 customs officers jobs.<sup>64</sup> [website of the Bundestag](#). A no-deal Brexit scenario will be mitigated through the [flexible deployment of staff](#) and the IT-supported optimisation of clearance procedures.

### **Business and trade**

*Deutsche Welle* looked at some of the 'worst case scenario' planning of German businesses:

Among other measures companies are setting up new facilities, looking for other suppliers that operate within the single market and are hiring people in order to process goods through customs [...]. They are even setting up new servers because they

---

<sup>61</sup> The [Brexit-Übergangsgesetz](#)

<sup>62</sup> The [Gesetz zu Übergangsregelungen im Bereich Arbeit, Bildung, Gesundheit, Soziales und Staatsangehörigkeit nach dem Austritt des Vereinigten Königreichs Großbritannien und Nordirland aus der Europäischen Union](#)

<sup>63</sup> *BBC News*, [Reality Check: What are EU countries doing to prepare for a no-deal Brexit?](#) 6 November 2018

<sup>64</sup> *Bundestag* website, [900 neue Stellen beim Zoll wegen Brexit Finanzen/Antwort](#), 9 January 2019

are uncertain about “whether the free flow of data is still possible with the UK and the EU”.<sup>65</sup>

### Finance and taxation

A draft law was introduced in November 2018 to change tax and employment legislation to ensure Germany is not disadvantaged. The Federal Financial Supervisory Authority (BaFin) Bill would preserve market access for UK firms offering banking, financial or insurance services under the European passport regime if there is no deal. The *Bundestag* adopted the ‘Brexit Tax Act’ (*Brexit-Steuerbegleitgesetz*) on 21 February 2019.<sup>66</sup> It will apply to a deal or no-deal scenario. The Act amends the Insurance Supervision Act (*Versicherungsaufsichtsgesetz - VAG*) and the Banking Act (*Kreditwesengesetz - KWG*). The VAG amendment allows BaFin to grant a transitional arrangement for 21 months after exit day to protect policyholders and the beneficiaries of the insurance contracts. Amendments to the KWG would authorise BaFin to treat UK banks and investment firms currently providing services under the passport regime as if they still held an EU passport until the end of 2020. The law would apply only to existing financial transactions, not those entered into after 29 March unless they are “closely connected” to pre-Brexit transactions.

## 2.12 Greece

In July 2018 Foreign Minister Georgios Katrougalos said the Government was studying the “improbable” scenario of ‘no deal’, estimating possible consequences and taking necessary measures.<sup>67</sup>

A Coordination Inter-ministerial Commission has focused on completing an Emergency Action Plan to be implemented if there is no deal. The Action Plan suggests legislation on citizens’ rights and a consideration of other bills that might be needed, possible operational decisions in various sectors of the economy, staff planning and support at border points, extra funding, information for businesses and administrative or operational measures in areas such as tourism, employment, education, health and safety and customs procedures.

### Citizens’ rights

The Government fast-tracked Bills on the status of UK nationals legally resident in Greece at the time of a no-deal exit. UK nationals living in Greece before 29 March 2019 and already holding a registration certificate or a temporary or permanent residence document must, after 1 January 2020, submit relevant forms to local authorities to exchange

---

<sup>65</sup> *Deutsche Welle*, [Growing unease over Brexit in German business community](#), 28 June 2018

<sup>66</sup> For further information, see Reinsurance News, [Germany prepares for no-deal Brexit with draft law for UK financial firms](#), 26 November 2018; Norton Rose Fulbright, Financial Services – Regulation tomorrow. [Brexit: Doing business in the EU – Updated](#), Simon Lovegrove, 7 March 2019; White and Case, [Brexit preparedness for financial services: the German response](#), Dr. Henning Berger, Charles Balmain, February 2019.

<sup>67</sup> *Bloomberg*, [How Europe Is Bracing for Messy Brexit: Dogs, Drones, Do Nothing](#), 19 July 2018

their certificates for new biometric residence cards. UK nationals living in Greece before 29 March 2019 but not registered with the police authorities might need to apply for a registration certificate.

The terms are based on UK reciprocity and are set out in a [letter](#) from Mr Katrougalos to the UK Foreign Secretary, 15 February 2019.<sup>68</sup> Questions and answers are published on the Ministry of Foreign Affairs website ([UK citizens in Greece](#)).

### **The economy, business and trade**

A Greek Government working paper warned that in the event of 'no deal', the financial fallout from a shortfall in the EU budget up to 2020 could leave Greece facing "increased financial and political instability".<sup>69</sup> The paper proposed that in this event, Greece should seek a special agreement with the EU, as it would be unable to finance a budgetary shortfall through national funding.<sup>70</sup>

The Government has launched an information campaign for all stakeholders (citizens, businesses, economic and professional bodies) with a view to increasing preparations for 'no deal'. The Government aims to inform and support small and medium-sized enterprises that do not export to non-EU countries and help them deal with import and export procedures in third countries. The Government is publishing regular sectoral business updates.

## **2.13 Hungary**

The Government has published the following information in English on its [Brexit website](#):

- [The UK's Negotiations on Withdrawal from the EU \(Brexit\)](#)
- [Information for Hungarian Citizens and Their Family Members](#)
- [Information for British nationals and their family members](#)
- [Information for Businesses and the Business Sector](#)
- [Legal information](#)
- [Information Concerning the Agricultural Sector](#)
- [Cooperation Between Hungary and the United Kingdom](#)

### **Citizens' rights**

The Government is committed to protecting the current legal rights of the estimated 8,000 UK residents in Hungary on a broadly reciprocal basis. It has advised UK citizens in Hungary to register with the Immigration and Asylum Office by 29 March with details on how to register [here](#).

---

<sup>68</sup> From 'Greek preparations for Brexit', <https://brexit.gov.gr/proetoimasia-greece/>

<sup>69</sup> *Daily Telegraph*, [Greece warns 'no-deal' Brexit would plunge country into 'financial and political instability'](#), 17 August 2018

<sup>70</sup> *Ibid*

Legislation was adopted on 19 March on the status of UK citizens. Under an amendment to the 2007 Act on free movement rights, UK nationals and their family members who are resident on exit day will be entitled to a permanent residence permit on the basis of three years' prior residence. The application must be made within three years of UK withdrawal, and until then their existing registration and residence documents will remain valid. Within this period other family members may also acquire, under certain conditions, a national permanent residence permit.

## 2.14 Ireland

A no-deal Brexit is likely to have a greater impact in Ireland than in the other EU Member States. In July 2018 Taoiseach Leo Varadkar said his Government was making contingency plans for 'no deal', including extra customs officers and veterinary inspectors.<sup>71</sup> The Government also considered whether to relocate part of the emergency oil stocks that it stores at UK refineries back to Ireland or to other EU Member States.<sup>72</sup> The Government was also reported to be drawing up plans to stockpile insulin, vaccinations and other medical supplies.<sup>73</sup>

Ireland's [2018 National Risk Assessment – Overview of Strategic Risks](#) analysed a range of no-deal Brexit risks for Ireland and concluded:

While the Irish Government will continue to do all in its power on both a domestic and European front to work for a Brexit agreement in line with Irish interests, the risks to our interests, our trade, our economy at both the macro and micro level, and our relationship with Northern Ireland, and the UK which could emerge from potential Brexits are manifold and significant, and it is likely that Brexit will remain one of the most significant risks facing this country over the coming years.

In a [budget statement](#) on 9 October 2018 Finance Minister Paschal Donohoe said "the possibility of a no deal Brexit has influenced decisions we have made regarding our finances, balancing our books and investing in our capital infrastructure". His announcements included "investing 300m euros (£260m) in training schemes for sectors that could be hit by Brexit" (Human Capital Initiative).

In mid-December 2018 the Department of Foreign Affairs and Trade published its [Contingency Action Plan](#), 'Preparing for the withdrawal of the United Kingdom from the European Union on 29 March 2019'. The Government states in the introduction that it "recognises that, given the proximity of the formal date for UK exit from the EU of 29 March 2019, the prospect of a no deal Brexit is very real". It sets out the Government's approach:

The challenges posed by a no deal Brexit require an understanding of the same issues as for an orderly Brexit,

---

<sup>71</sup> See *The Telegraph*, [Brussels warns EU countries: get ready for a no-deal Brexit](#), 19 July 2018

<sup>72</sup> *Sunday Independent*, [Ireland set to remove oil reserves from Britain as Brexit deadline looms closer](#), 15 July 2018, and [Cabinet to move Irish oil reserve from UK](#), 15 July 2018

<sup>73</sup> *Irish World*, ['No deal' will mean 'no drugs'](#), 1 August 2018

although of course they arise in a very different context and in a much shorter timeframe. In many significant ways, a no deal Brexit would pose unique, unprecedented and extremely difficult challenges for the EU, including Ireland, and especially the UK.

It refers to the need for “an immediate focus on crisis management and possible temporary solutions (political, economic, administrative, legislative and communication), which would be rapidly implemented until the necessary longer-term adjustments are in place”. The Plan acknowledges that of all the EU Member States, Ireland “could be the most adversely affected” by Brexit and “to the greatest extent in a no deal scenario”. It sets out the issues and planned measures across sectors.

Extra trained staff have been put in place in Revenue (400), the Department of Agriculture, Food and the Marine (200), and the Department of Health (59).

The Government has held several public events called '[Getting Ireland Brexit Ready](#)'.

### **The Brexit Bill**

The Government published a Brexit Contingency and [Preparedness Update](#) on 15 January 2019 announcing a 17-part omnibus Brexit Bill - the [Miscellaneous Provisions \(Withdrawal of the United Kingdom from the European Union on 29 March 2019\) Bill](#), and later the [Withdrawal of the United Kingdom from the European Union \(Consequential Provisions\) Bill 2019](#). The Explanatory Memorandum to the Brexit Bill is [here](#). The Bill includes contingency provisions on protecting citizens' rights and supporting the economy, enterprise and jobs, health, social security and welfare, students, electricity, railway services and ports, extradition and immigration and data protection. There were differences between the former and latter Bills which are outlined in the [Brexit Omnibus Bill Update](#) on 26 February 2019.

In addition, 21 pieces of secondary legislation cover emergency support for Irish citizens and businesses in a range of sectors. Detailed information on the SIs can be found [here](#).

The Brexit Bill completed its [stages in the Dáil on 6 March](#) and its [Seanad stages on 13 March](#). It became law on 17 March 2019.

### **Citizens' rights**

British citizens are not subject to Irish immigration law ([Aliens Exemption Order 1999](#)) and under the [Ireland Act 1949](#) and section 1(3) of the [Immigration Act 1971](#) Irish citizens do not require permission to live and work in the UK. Under the Common Travel Area (CTA, which covers the UK, Ireland, Isle of Man and Channel Islands). British and Irish citizens can live and work freely in each other's countries and travel freely between them. Both the Irish and UK Governments are committed to maintaining the CTA in the event of 'no deal'. On 5 March 2019 the

Government concluded its CTA arrangements, anticipating similar UK commitments.<sup>74</sup>

On 22 February the Government published the [Withdrawal of the United Kingdom from the European Union \(Consequential Provisions\) Bill 2019](#), which became law on 17 March. The [Act](#) allows certain healthcare arrangements between the UK and Ireland to be maintained and for the continued payment of around 20 social security payments, such as pensions, sickness benefit and child benefit.

### **Borders, customs and tax**

The Government's [Update to Contingency Action Plan](#) of 30 January 2019 set out enhancements to port, airport and customs facilities:

#### **Preparing our Ports and Airports**

A key focus of our no deal planning is to ensure that East-West trade flows continue to move as smoothly as possible. In both Dublin and Rosslare Ports, sites suitable for temporary infrastructure have been identified and refurbishment work has commenced so that these sites can apply additional controls in a no deal scenario. At the same time, plans are advanced for the development of permanent infrastructure in both Ports.

At Dublin Airport, the volumes of traffic involved in the event of a disorderly Brexit can be catered for by existing facilities. Facilities for an enlarged Border Control Post by the end of 2019 are being developed and will include facilities required for Brexit.

#### **Staffing**

Revenue will have 400 additional customs officials trained and in place by end-March 2019, and will be in a position to recruit a further 200 by the end of 2019. This would fully meet their estimated staffing needs to implement the additional checks and controls needed post Brexit.

The recruitment of veterinary personnel and 70 other support staff to implement SPS checks has commenced, and an additional 61 Environmental Health Staff are in the process of being recruited.

### **Transport**

A proposed Bill would provide a statutory basis for cross-border rail services (including the Dublin-Belfast route) to ensure continued service provisions between Ireland and Northern Ireland. On 5 March work was "well underway on temporary infrastructure to deal with the expected increase in checks at Dublin and Rosslare ports".<sup>75</sup>

In the *Oireachtas* on 4 October 2018 Deputy Maurice Quinlivan (Sinn Féin) asked the Minister for Foreign Affairs and Trade about contingency plans "for businesses for a situation in which the landbridge through Britain becomes unusable for Irish lorries travelling to and from the Continent" [30826/18]. Simon Coveney [replied](#) in some detail about the

---

<sup>74</sup> For further information on the CTA and a no-deal Brexit, see section 8.4 Movement of people of Commons Library Briefing 8397, [What if there's no Brexit deal?](#) updated 8 February 2019.

<sup>75</sup> Government statement, [Government Advances No Deal Brexit Contingency Planning and Preparations](#), 5 March 2019

work of the Government's Landbridge Project Group, saying Government Departments were rolling out "detailed Action Plans" and had already "approved a number of key Brexit preparedness measures focused on East-West trade which will also take account of the continued use of the landbridge".

### **Business and trade**

The last budget included a loan scheme of €300 million, in addition to measures announced in the previous budget, for SMEs and the food and agri-business sectors.<sup>76</sup> The Government has introduced a €78 million Brexit package for farmers, fishermen and food SMEs to cover additional Brexit-related costs.

The Health Products Regulatory Authority (HPRA) and HSE have [worked with](#) manufacturers, identified potential risks and possible solutions to maintain supply to the market. No-deal mitigation discussions are underway.

Northern Ireland and Ireland form a single electricity market. The Government's proposed legislation would give its energy regulator powers to amend the licenses of energy providers to ensure they comply with EU law.

## **2.15 Italy**

Italy initially thought a no-deal Brexit very unlikely. In September 2018 Under Secretary of State for Foreign Affairs Guglielmo Pichi said there would be a deal "because it is the interest of both parties".<sup>77</sup> However, Italy's thinking on the prospect of 'no deal' has changed.

### **Citizens' rights**

On 20 December 2018 Italy announced it was preparing legislation to allow UK citizens resident in Italy after Brexit, on application, to continue to be legally resident and to work if there is no deal.<sup>78</sup>

On 25 March Italy adopted a legislative decree ([Decree 22](#)) to maintain the existing legal framework for UK nationals living in Italy on exit day, allowing them to apply for and obtain long-term resident status in compliance with [Directive 2003/109/EC](#) until 31 December 2020. The main provisions are summarised in a *Local* (Italy) report:

- There will be a transition period until 31 December 2020, during which time all UK residents will have the opportunity to apply for new, non-EU status. This grace period applies only to UK citizens who have already registered their residency with their local *comune* before exit day. (see [guide to how you can still register your residency before Brexit](#)).
- UK citizens who have been legally resident in Italy for five consecutive years or more on exit day will be allowed to

---

<sup>76</sup> *Irish Times*, [Minister urges companies to avail of Brexit supports as take-up low](#), 11 July 2018

<sup>77</sup> Interview on BBC Today programme, 19 September 2018

<sup>78</sup> See [British in Italy](#), 20 December 2018



apply for a *permesso di soggiorno UE per soggiornanti di lungo periodo*, or long-term residence permit.

- UK citizens who have been legally resident for less than five consecutive years will be allowed to apply for a special *permesso di soggiorno* valid for five years, after which they'll have to apply to renew it.
- Both types of residence permits will protect UK nationals' rights to work and access social benefits.
- Any UK resident who hasn't obtained a new residence permit by the end of 2020 will be subject to the same rules as all other 'third country' nationals. All current residence permits, including the *certificato di residenza* issued by the *anagrafe* (registry office), will become invalid on January 1st 2021.
- Italy is willing to give UK residents continued access to Italian public healthcare until the end of 2020, based on UK reciprocity.
- UK citizens who have accumulated four years of residency in Italy before the date when the UK leaves the EU can apply for Italian citizenship on the same terms as EU nationals until the end of 2020.<sup>79</sup>

The decree entered into force on 26 March 2019, but more detailed provisions are expected. The UK and Italy are also discussing a "bilateral and reciprocal deal on healthcare" for UK and Italian nationals in the event of 'no deal'.<sup>80</sup>

## Business and trade

On 24 January 2019 the Economics and Finance Ministry announced that the Government was preparing emergency decree-laws to ensure the continuity of markets and businesses in a no-deal Brexit. The [press release](#) stated:

The [...] measures are aimed at ensuring the financial stability, the integrity, and the operational continuity of both markets and intermediaries, and at protecting depositors, investors, and customers in general, through the introduction of an appropriate transitional period during which such entities can continue to operate, similarly to the transitional period planned in the event of an agreement between the United Kingdom and the EU.

During the transitional period provided by the measures mentioned above, banking, financial and insurance intermediaries (including those active in the business of providing supplementary pensions) will be able to continue to operate according to existing laws and regulations. Such a scenario is envisioned for both British firms carrying out activity in Italy, and Italian firms carrying out activity in the United Kingdom. The protection of those intermediaries' depositors and investors will also be guaranteed on a continuous basis throughout the aforementioned transitional period.

---

<sup>79</sup> From *The Local (it)*, [What would no-deal Brexit mean for Brits in Italy? Here's what we know so far](#), 28 March 2019

<sup>80</sup> Ibid

The provisions will be differentiated according to the nature of the intermediaries involved, taking into account the applicable European and national laws and regulations.

The decree-law will identify the obligations and procedural steps that the various types of intermediaries have to comply with – based on applicable sector legislation – in order to continue to operate beyond the defined transitional period, with the aim of ensuring stable and certain parameters to allow each intermediary to adapt to the new institutional and operational framework.

Similar provisions will be included in the part of the decree-law concerning trading venues and intermediaries' access to those venues. In this case, too, the provisions for the transitional period – the period when intermediaries can continue their current activity according to the European sector legislation – will apply to both the British companies managing trading platforms operating in Italy and Italian companies managing trading platforms operating in the UK.

With reference to the investments of pension funds in UCITS and AIFs established under the laws of the United Kingdom of Great Britain and Northern Ireland, the decree will provide for the possibility to continue to hold such instruments during the transitional period.

The exceptional measures to be implemented through the decree-law are exclusively aimed at avoiding discontinuity in the exercise of activities subject to regulatory licensing and restrictions at a national level, in accordance with the relevant EU harmonized regulations.<sup>81</sup>

## 2.16 Latvia

To coordinate Latvia's position on Brexit issues, in February 2017 a Brexit working group was established in which all ministries and the Bank of Latvia are represented. Since September 2018, this group has been meeting at least once a month and government ministers and legal experts are invited to its meetings.<sup>82</sup>

The Ministry of Foreign Affairs has been submitting to the Cabinet reports on Latvia's Brexit-readiness since October 2018. Contingency actions identified include amendments to national legislation, additional human resources and infrastructure adjustments and a need to adapt IT systems.

### **Citizens' rights**

The Latvian Parliament adopted a [political declaration](#) declaring that Latvia would ensure UK citizens legally residing in Latvia would be given favourable conditions for residence and employment on the basis of reciprocity.

On 21 March, the Parliament (*Saeima*) [adopted a Law](#) to ensure judicial cooperation and the protection of citizens' rights in a deal or no-deal scenario. Latvia will allow a transitional period for UK citizens and their family members living in Latvia (around 1,000) to renew their residence

---

<sup>81</sup> Press Release N° 15 of 24 January 2019

<sup>82</sup> [Latvian Ministry of Foreign Affairs](#) (in English)

rights. During this time certificates issued under the free movement Directive will be recognised as temporary national residence permits until 31 December 2020. Until 31 of December 2019, UK citizens who have lived in Latvia less than five years will be given national temporary residence permits, while those who have lived there longer will be issued with long-term residence permits.<sup>83</sup>

Letters will be sent to UK citizens at their registered addresses in Latvia after 30 March, explaining the procedure for renewing residence rights and the consequences if deadlines are not met.

Detailed information is provided on the Latvian Office of Citizenship and Migration Affairs website, [Information for citizens of the United Kingdom of Great Britain and Northern Ireland in the event of a no deal](#) (26 February 2019).

### **Borders and customs**

The Latvian customs agency plans to hire 48 additional people in the event of a no-deal Brexit. The Foreign Ministry in Riga estimates that customs-processing costs will increase by about €10 million over the next three years, the biggest cost being additional customs and veterinary checks. The Foreign Ministry has a Brexit enquiry email address ([brexit@mfa.gov.lv](mailto:brexit@mfa.gov.lv)) and all Government ministries will have a special webpage on Brexit.<sup>84</sup>

### **Business and trade**

Foreign Ministry representatives have met with business organisations (e.g. Latvian Chamber of Commerce and Industry, Latvian Employers' Confederation) and industry associations to inform them about the Brexit process and focus on potential risks and changes. The Government has published [information for entrepreneurs](#). The *Saeima* has adopted [amendments to the Enterprise Income Tax Law](#) and changes to [the Law on the Circulation of Goods of Strategic Significance](#) to simplify the transit of dual-use items to and from the UK.

## **2.17 Lithuania**

On 13 February 2019 the Government agreed political guidelines on national contingency measures and to adopt proposals for a national contingency plan to mitigate the effects of a no-deal Brexit. On 18 February the Ministry of Foreign Affairs published [Lithuania's national preparedness for No-Deal Brexit](#). Draft contingency legislation provides for:

- a transitional period to the end of 2020 or a later date, depending on any future EU-UK future relations agreement;
- preservation of rights of UK citizens resident in Lithuania before Brexit;
- preservation of a favourable tax environment for UK businesses;
- reciprocity if the UK applies more favourable conditions.

---

<sup>83</sup> See also Latvian Government press release, [Saeima adopts Law on the protection of personal rights for the transition period after the withdrawal of the United Kingdom from the EU](#), 22 March 2019.

<sup>84</sup> Bloomberg News, [How EU Nations Are Ramping Up Preparation for a No-Deal Brexit](#), 15 January 2019

The Government has published Brexit-related preparedness information, FAQs and hotlines:

- General information on preparedness and contingency measures, citizens' rights on the website of the [Ministry of Foreign Affairs](#) and an [E-Citizen inquiry form](#).
- Information for the business sector on [Enterprise Lithuania \(Versli Lietuva\) website](#), and a list of [contacts](#) for exporters and start-ups.
- Information for UK citizens living in Lithuania on the [Ministry of the Interior](#) website

### **Citizens' rights**

Amendments to the Law on the Legal Status of Aliens will regulate the legal status of UK citizens and their family members living in Lithuania. If there is no deal, there will be a transitional period of nine months from exit day in which UK nationals will be able to change their legal status. If they already have the right to permanent residence, permanent residence permits will be issued without having to pass a language test or knowledge of the Constitution of Lithuania. There will be no administrative fee for the permit.

## **2.18 Luxembourg**

### **Citizens' rights**

The Government began a communication campaign in January 2019 and has published an [FAQ on living and working in Luxembourg](#) after a no-deal Brexit and provided a [portal](#) with information:

- ["No deal Brexit" for British citizens residing in Luxembourg](#)
- [Staying/working in Luxembourg as a British citizen](#)
- [Travelling between Luxembourg and the United Kingdom](#)
- [Acquiring the Luxembourg nationality](#)
- [Family benefits](#)
- [European elections: voting rights for British citizens](#)
- [Driving licence](#)
- [Health insurance](#)
- [Pension insurance](#)
- [Employment in the public service](#)

There is further information in the Government's [Brexit: information folder](#).

To summarise, UK citizens will be third-country nationals after 29 March 2019. But they and family members who are legally resident in Luxembourg will retain their right of residence after 29 March on the strength of the residence documents issued to them as EU citizens under the free movement Directive. These documents will remain valid

until 30 March 2020. UK citizens will need to obtain a residence permit before 30 March 2020 and for this they will need to submit an application before 31 December 2019.

### **Business and trade**

The Government [portal](#) provides recent information on Brexit no-deal implications for businesses, including on [VAT refunds](#) and [the processing of the supply of goods between the EU and the United Kingdom](#).

### **New laws on finance and banking**

On 31 January 2019 the Government introduced [draft law 7401](#) on Brexit measures concerning the financial sector. The contingency measures are described in an Ogier report, [Luxembourg issues a bill of law on Brexit](#), 7 February 2019.<sup>85</sup>

## **2.19 Malta**

The Government of Prime Minister Dr Joseph Muscat set up a Brexit task force of Government and opposition members which has been coordinating Malta's Brexit preparations, including preparing for "worst case scenarios".<sup>86</sup>

### **Citizens' rights**

Joseph Muscat [announced](#) on 23 January 2019 that UK nationals resident in Malta can continue to live and work there. They will be eligible for a special 10-year residence permit without paying administrative fees. They will also have open access to the Maltese labour market as workers or self-employed persons, without needing a work permit. The economically self-sufficient, those with permanent residence and students will also be able to stay, provided they do not become a burden on the State. Dependent family members will also be able to reside in Malta with the family member, provided that relationship existed on exit day.

UK nationals entering Malta after 29 March would also be eligible for a 10-year permit, but they would have to pay administrative fees and would need a work permit to work in Malta. UK nationals were advised to apply for an e-residence card, which allows EU/EEA nationals to receive national healthcare.<sup>87</sup> The UK has a reciprocal health agreement with Malta which it intends to maintain.

The Government has published a Brexit factsheet, [Malta Government's plans in case of a no-deal Brexit](#) (undated), which covers citizens' rights and a number of other policy areas.

---

<sup>85</sup> See also Veneziano & Partners, [Luxembourg Brexit Law and How to De-dramatize a Divorce](#), 13 February 2019.

<sup>86</sup> *Times of Malta*, [Muscat confident of post-Brexit agreement between Malta and the UK](#), 23 October 2018

<sup>87</sup> See also *Times of Malta*, ['You have nothing to worry about': Muscat's Brexit reassurance to Britons in Malta](#), 23 January 2019

## Borders and customs

The Government's [no deal factsheet](#) states:

The overall administrative burden for Customs is expected to increase considerably. Customs' declarations for all consignments imported from, or exported to the UK, as groupage cargo, containers, fast parcel, postal service and airfreight will have to be lodged in the Customs IT systems and risk analysed. A percentage of these consignments will then be selected for physical control by Customs' officials.

In terms of passenger traffic, Customs will have to deal with 12 additional inbound, and 12 additional outbound flights, with 160 passengers each every day, plus an increase in the monitoring of accompanied cargo brought through these flights.

The increase in flights to and from the UK may also require some infrastructural changes at the Customs arrivals and departures outstations.

Current IT systems are deemed to be adequate to cater for this increased workload. The department started a road show during the first two weeks of March, and a Customs desk has been set up at the Business 1st one-stop-facility to serve the business community.

## 2.20 Netherlands

The Dutch government has carried out several assessments of the impact of Brexit on the Netherlands, including the rights of Dutch citizens, the economy and the medical sector.<sup>88</sup> A [letter from the Minister of Foreign Affairs](#) to the House of Representatives, 7 September 2018, set out the Government's Brexit contingency planning and preparedness at national and EU level.

In their [third Brexit report of 26 February 2019](#) on behalf of the European Affairs Committee, rapporteurs Anne Mulder, Pieter Omtzigt and Lodewijk Asscher, warned of the consequences of a no-deal scenario and indicated where emergency measures were needed.<sup>89</sup>

### The 'Dutch Brexit Act'

On 16 November 2018 the Minister of Justice and Security submitted to the Parliament a Brexit Bill proposing changes to laws and regulations to prepare for Brexit. It will allow necessary legislative action to be taken via a general administrative order or ministerial decree, rather than by amending the law. The draft Dutch Brexit Act was adopted by the Lower House (*Tweede Kamer*) on 29 January 2019 and was sent to the Dutch Senate (*Eerste Kamer*).<sup>90</sup> It is intended to enter into force on 30 March.

### Citizens' rights

In a [letter to parliament](#) (in Dutch only) on 7 January 2019, the Dutch Government announced that UK nationals who have a right of

<sup>88</sup> Government of the Netherlands, [What impact will Brexit have?](#) [accessed 2 October 2018]

<sup>89</sup> Tweede Kamer, [Rapporteurs: additional measures needed to prepare for hard Brexit](#)

<sup>90</sup> See Norton Rose Fulbright, Financial Services – Regulation tomorrow. [Brexit: Doing business in the EU – Updated](#), Simon Lovegrove, 7 March 2019

residence in the Netherlands on 29 March 2019 will automatically receive a temporary residency permit allowing them to continue to live, work and study there for 15 months (to 30 June 2020). Then they would have to apply for permanent residency.

UK students will be able to continue to study under the same conditions as EU students but UK citizens who move to the Netherlands after Brexit to study will be treated as non-EU citizens.

The Government has published [information](#) for UK nationals in the Netherlands and has sent a [letter](#) to British nationals residing in the Netherlands without a national permanent residence permit, explaining what they must do if they want to stay.

Detailed information and Q&A are on the [Immigration and Naturalisation Service website](#).

### **Borders and customs**

As the UK is the Netherlands' third largest trading partner, the Dutch customs authorities are expecting an increase in customs operations by a third and are expanding staff capacity by 20%.<sup>91</sup> The Government has planned for extra officials, mostly in the port of Rotterdam, to process UK goods and animals ("over 900 customs officials and an additional 145 veterinarians", [according to the IfG](#)).

The Netherlands Food and Consumer Product Safety Authority has trained extra officials and vets.<sup>92</sup> Other agencies training extra staff are the independent Quality Control Bureau, the Inspection Service for Horticulture and the Controlling Authority for Milk and Milk Products.<sup>93</sup>

### **Business, economy and trade**

*MLex* [reported](#) on 4 September 2018 on research for the Dutch Government by Kantar Public which concluded that around 18% of Dutch companies doing business with the UK were "actively preparing for Brexit", up from 10% in 2017. The study was carried out in the period 28 June – 3 July among 245 companies doing business with the UK.<sup>94</sup> The Dutch Government has indicated that there will be a temporary transitional tax law for citizens and businesses until the end of 2019.

The Netherlands Chamber of Commerce has published advice on its website, [Brexit: how to prepare for no deal](#), and promotes a Government platform [Brexitloket](#) (in Dutch), which offers information and advice. The Government's web-based '[Brexit impact scanner](#)' can be used by SMEs to assess their exposure to potential problems related

---

<sup>91</sup> *De Volkskrant*, [Nederlandse Douane nog niet klaar voor Brexit, honderden extra mensen nodig: 'Het effect is echt groot](#). (The Netherlands Customs administration not yet ready for Brexit, need more people: 'The effects are major'), 16 February 2018

<sup>92</sup> *New York Times*, [How E.U. Is Getting Ready for Chaos in a Worst-Case Brexit](#), 19 July 2018

<sup>93</sup> *Politico*, No-deal planning in the EU countries Brexit would hit hardest, 8 March 2019

<sup>94</sup> See also *Dutch News*, [Just one in five Dutch firms are ready for Brexit, ministry says](#), 4 September 2018

to Brexit, and it offers [€2,500 'vouchers'](#) for small companies to obtain independent advice about the Brexit implications for their business.

### Energy

There are cross-border connectors for electricity and natural gas between the UK and the Netherlands, which are currently subject to EU law. The Dutch Government intends to adopt rules by Order in Council on cross-border connections.

## 2.21 Poland

On 5 March 2019 the Polish Council of Ministers adopted a resolution approving Poland's programme of preparations for a no-deal Brexit, which includes extra posts for immigration processing and provision for a [higher Polish contribution](#) to the EU budget. The Government has set aside 1,050 million *zlotys* (about £200 million) to cover part of any shortfall in EU funding if there is no UK contribution.

### Citizens' rights

The Council of Ministers sent a draft bill to the *Sejm* (Lower house) on 5 March on the protection of UK citizens' rights in Poland. The Bill provides for a grace period during which the rights of UK citizens and their family members legally resident in Poland immediately after exit date will be considered legal. It also sets out the legal basis for granting temporary and permanent residence permits depending on whether they have a right of residence or permanent residence on 29 March 2019. UK nationals will have until 31 December 2020 to submit an application for a residence permit as third-country nationals.<sup>95</sup> The Bill was adopted by the *Sejm* on 15 March 2019. Another [bill, on the recognition of professional qualifications](#), was sent to the *Sejm* on 5 March.

Full details are in an Office for Foreigners publication, [BREXIT: residency rules for citizens of the United Kingdom and Northern Ireland in Poland](#).

### Business and trade

Several ministries have been analysing the potential impact of no deal. "The government is determining how many additional customs agents will be required and is investigating measures to limit the risks to business".<sup>96</sup> Deputy Foreign Minister Szymański said in July 2018 that Poland had been "making preparations to assess a 'no deal' Brexit both from a financial point of view, as well as with regard to business, administration and citizens' rights".<sup>97</sup>

---

<sup>95</sup> There is a summary of provisions on the Government's [Brexit – possible scenarios](#) website, 26 March 2019.

<sup>96</sup> *Bloomberg*, [How Europe Is Bracing for Messy Brexit: Dogs, Drones, Do Nothing](#), 19 July 2018

<sup>97</sup> *Poland in English*, [Poland preparing for 'no deal' Brexit: deputy minister](#), 20 July 2018



The Government has launched a [website](#) with an interactive guide for businesses. On 5 March 2019 the Council of Ministers sent to the *Sejm* a [bill on commercial and financial matters](#).

## 2.22 Portugal

Portugal's contingency plan is set out in a [Government statement](#) of 11 January 2019. On 17 January 2019 Prime Minister António Costa released a Government contingency plan for a no-deal Brexit. One of its main aims was to maintain the high level of UK tourism in Portugal after Brexit (according to the [Financial Times, 17 January](#), "More Britons visit Portuguese hotels than tourists from any other country, accounting for about 15 per cent of the annual total of 15m").

### Citizens' rights

Portugal aims to approve legislation granting special conditions, from 30 March 2019 to 31 December 2020, for UK citizens and their family members living in Portugal (around 400,000). Registration certificates issued under the free movement Directive will be converted into residence permits. The usual requirements for third-country nationals will be replaced by a 'declaration of honour'. UK citizens who have not registered but can prove they were living in Portugal before 29 March may also request a residence permit under this special procedure.

On 14 February the Portuguese Ambassador to the UK, Chris Sainty, [provided information](#) on issues affecting UK nationals in Portugal if there is no deal. He referred specifically to driving licences, pensions and the EHIC health card.

### Borders and customs

According to *Bloomberg* in mid-2018, Portugal was not expecting major changes or increases in staff at the ports of Sines and Lisbon resulting from any kind of Brexit: "Almost three-quarters of goods trading at the port of Sines -- the nation's largest -- is with countries outside the EU, so it's already well equipped to deal with shipments to and from non-EU nations".<sup>98</sup>

Portugal will establish dedicated passport control lanes for flights arriving from the UK to ease the entry of UK tourists. The corridors at the most popular airports in Faro, the Algarve and Madeira will operate in the same way as existing fast-track lanes for EU citizens.

The Immigration and Borders Service is assessing staffing, resources and equipment needs. It is also considering using an automated identification departure system (RAPID4all) for UK nationals which is already being used for third-country nationals.

### Business and trade

A *Reuters* report said Portugal was "actively courting wealthy British to move and invest there in the run up to Brexit".<sup>99</sup> A report by the Confederation of Portuguese Business (CIP) estimated Portuguese

---

<sup>98</sup> *Bloomberg*, How Europe Is Bracing for Messy Brexit: Dogs, Drones, Do Nothing, 19 July 2018

<sup>99</sup> *Reuters*, [Portugal wants Britain to welcome all EU migrants after Brexit](#), 26 July 2018

exports to the UK could fall by more than 25%. It recommended that the Government and industry “step up efforts to promote Portugal in the British market, particularly for sectors most at risk such as tourism, electronics and the auto industry”.<sup>100</sup> In January 2019 the Prime Minister announced “a €50m credit line to assist about 2,800 export companies likely to be the hardest hit should Britain exit the EU on March 29 without a deal” and “[a]n additional 60 customs officers are also to be recruited to help avert trade bottlenecks”.<sup>101</sup>

## 2.23 Romania

Romania holds the EU Presidency until the end of June 2019 and has been working with the Commission on coordinating EU contingency planning. The Romanian Government does not appear to have published a national contingency plan, but some authorities, particularly in the financial services sector, have issued statements on their approach to a possible no-deal Brexit.<sup>102</sup> The National Bank of Romania has also made plans for a no-deal Brexit.<sup>103</sup>

### Citizens’ rights

The rights of UK citizens living in Romania (around 2,500) will be maintained if there is no deal, based on UK reciprocity. Legislation will be adopted and implemented by an Emergency Ordinance to ensure continuity of these rights and establish a transition from their status as EU citizens to third-country nationals. The proposed legislation will provide for a transitional period until 31 December 2019 in which documents issued under the EU free movement Directive will remain valid. UK citizens and their family members who want to stay in Romania after this deadline will have to apply for a temporary residence permit during the transition period. The application will be by a simplified procedure and the document will cost 259 RON.

The temporary permit will be valid for five years, after which UK citizens and family members will be eligible for a long-term residence permit. Those who have lived in Romania for more than five years and/or have permanent residence cards will be granted a right of long-term residence following a request during the transition period. UK citizens who arrived in Romania before exit day but have not registered will have three months in which to apply for the five-year temporary residence permit.

---

<sup>100</sup> *Politico*, [Portuguese business pushes for Brexit deal](#), 31 October 2018

<sup>101</sup> *Financial Times*, [Portugal looks to protect tourism from no-deal Brexit](#), 17 January 2019

<sup>102</sup> For example, see Romanian Lawyers Week, [Romania: Financial Supervisory Authority’s position on ‘no-deal’ Brexit](#), 22 March 2019; Clifford Chance Badea, [Romania – Brexit update](#), April 2019.

<sup>103</sup> See *Business Review*, [Romania’s central bank prepares for no-deal Brexit: UK banks will be treated as third-country entities, their activity on the local market will cease on March 30](#), 12 February 2019.

## 2.24 Slovakia

The Slovak Government says it has been preparing for all Brexit scenarios. The *Guardian* reported in February 2019 cited Vladimir Vano, a Bratislava-based analyst at the British Chamber of Commerce in Slovakia, who estimated that a no-deal Brexit “would lead to a 1% lower GDP for both Slovakia and the Czech Republic, due to trade disruption and increased bureaucracy, with further indirect impact likely as well”.<sup>104</sup> The report pointed in particular to disruption to supply chains in the automotive industry in Slovakia and Hungary.

### Citizens’ rights

On 21 January 2019 the [Slovakian Government](#) outlined the principles of its provisions for UK citizens living in the Slovak Republic, which would be based on reciprocity. Draft legislation was submitted in February under a fast-track procedure and on 13 March 2019, the Government approved an amendment to [Act no. 404/2011](#) on the Residence of Foreigners, which provides for UK nationals living in Slovakia in the case of 'no deal'. The Bill went to the National Council.

The law will allow UK citizens living in Slovakia the right of residence with access to social security, health care, recognition of qualifications and the possibility of using their UK driving license. UK nationals and their family members living in the Slovak Republic who have a right to permanent residence before 29 March 2019 under the Act on the Residence of Foreigners are entitled to a long-term residence the Act. UK nationals and family members who have not been resident in Slovakia before 29 March 2019 will be treated third-country nationals and will be able to apply for residence status.

The Ministry of Interior has written to UK nationals living in Slovakia to inform them about how to stay there after Brexit. A temporary residence permit will be issued to UK nationals until a new one is available. This document can also be used for travel to other EU27 states. Residence documents issued to UK nationals and family members by 29 March 2019 will remain valid until 31 December 2020. They will have to apply for a new residence permit by that time.

### Business and trade

The [OECD economic survey of Slovakia](#) published in February 2019 stated: “The Slovak economy is well integrated into global value chains and would be heavily affected by significant changes in the flow of goods and services across Europe”. But Prime Minister Peter Pellegrini is reported to have said in January that if companies leave the UK after a hard Brexit, “it may even be an advantage for Slovakia”.<sup>105</sup> He pointed out that as Slovakia's projected economic growth is “well above 4

---

<sup>104</sup> *The Guardian*, [Eastern European companies fear 'chaos' of no-deal Brexit](#), 13 February 2019

<sup>105</sup> RTV, [Slovakia getting ready for Brexit](#), 8 January 2019

percent [...] even a possible slowdown will still mean for Slovakia a relatively significant growth in the economy".<sup>106</sup>

## 2.25 Slovenia

In January 2019 the Slovenian Press Agency (STA) quoted Prime Minister Marjan Sarec as saying the UK should reconsider pursuing Brexit.<sup>107</sup> President Borut Pahor said no EU Member State wanted "a hard Brexit in any kind of chaotic way".<sup>108</sup>

### Citizens' rights

On 20 March 2019 the National Assembly passed a fast-tracked Act on safeguarding the rights of UK citizens living in Slovenia and vice versa if there is no deal. The legislation will preserve rights relating to social security, labour market access, cross-border services, mutual recognition of professional qualifications, family allowances and scholarships until 31 December 2020, on the expectation that the UK will reciprocate for certain of these rights. The Act also provides for a transitional period after exit day during which UK citizens will be able to stay in Slovenia on their existing EU permits. They will then be able to obtain third-country national permits or seek long-term residence status. UK nationals without a valid registration certificate or residence permit will be subject to the Foreigners Act, which applies to non-EEA citizens.<sup>109</sup>

### Business and trade

In January the Slovenian Chamber of Commerce (GZS) said a no-deal Brexit could reduce Slovenian goods exports by 20%, "although they would later probably rise again".<sup>110</sup> There could be a similar reduction in Slovenian exports to other EU27 states "with close trade ties to the UK".

A Government think tank, the Institute for Macroeconomic Analysis and Development (IMAD), recently concluded that the long-term effects of a no-deal Brexit would be small - between -0.2% and 1% of GDP.<sup>111</sup> The think tank thought exports of services, in particular tourism and transport, would be "somewhat affected". Invest Slovenia commented:

Since the direct connection of the Slovenian and British economies is relatively small (Slovenia generates 1.9% of its exports in the UK), the direct negative effect on exports and GDP would be small.

---

<sup>106</sup> Ibid

<sup>107</sup> *Total Slovenia*, [Brexit and Slovenia: Comments from the Govt., Chamber of Commerce & UK Ambassador](#), 16 January 2019

<sup>108</sup> *Reuters*, [Slovenian president says 'a lot' of EU states would back Brexit extension](#), 2 March 2019

<sup>109</sup> From *Total Slovenia News*, [Brexit Reciprocal Rights Act passed](#), 21 March 2019

<sup>110</sup> *Total Slovenia*, [Brexit and Slovenia: Comments from the Govt., Chamber of Commerce & UK Ambassador](#), 16 January 2019.

<sup>111</sup> *Total Slovenia News*, [Think-Tank: Direct Impact of No Deal Brexit on Slovenia would be Small](#), 25 March 2019

An indirect effect would be somewhat bigger due to Slovenia's trade connections with Germany and France, which are major trade partners of the UK.<sup>112</sup>

## 2.26 Spain

An *Elcano* policy paper in May 2018 alerted Spanish companies to the need to prepare for a possible no deal:

... it is important for Spanish companies to design contingency plans for coping with a reduction in business, whether in terms of preparing for changes in the regulatory framework or seeking alternative customers and suppliers in other markets, both within and beyond the EU.<sup>113</sup>

According to *BBC News*, Spain was "taking the mañana approach to planning for a no-deal Brexit".<sup>114</sup> Economy Minister Nadia Calvino said on 29 October 2018 that "for the time being, nothing was being done to prepare for no deal. There is no written plan or anything formal and [...] the government was waiting another few weeks before planning for a no-deal scenario". But the think tank Open Europe said in August 2018 that the Government was making contingency plans for 'no deal':

Spain's government has been [running](#) an analysis of the different potential outcomes of the Brexit talks, including the 'cliff-edge' scenario, based on input from companies and business groups. It has also been [working on](#) a plan to shield its tourism industry from any disruption to air travel and will allow UK citizens to use their existing Spanish ID as a post-Brexit entitlement paper, which is a more flexible arrangement than the one France has in mind.<sup>115</sup>

The Government has outlined its [Preparedness and Contingency Plans](#) online, listing measures adopted to March:

- On 11 January the Council of Ministers received a report on contingency plans that included the three strategic planning lines: law; logistics for the provisions of material and personal measures; and communication.
- On 14 January the Brexit tab on the Moncloa website became available and the different ministerial departments are gradually providing more sector-specific content.
- On 8 February the Council of Ministers adopted an Agreement and approved [Royal Decree 47/2019](#) providing 1,735 extra staff for the services affected by Brexit.
- On 1 March [Royal Decree-Law 5/2019](#) was approved to include the measures adapting the Spanish legal system to address the consequences of a UK withdrawal from the EU without an agreement under the provisions of Article 50.2 of the Treaty of European Union.<sup>116</sup>

---

<sup>112</sup> *Invest Slovenia*, [IMAD says direct no-deal Brexit impact small, indirect larger](#), 22 March 2019

<sup>113</sup> [Spain and the prospect of Brexit](#), Salvador Llaudes, Ignacio Molina, Miguel Otero Iglesias & Federico Steinberg, May 2018

<sup>114</sup> *BBC News*, Reality Check: What are EU countries doing to prepare for a no-deal Brexit? 6 November 2018

<sup>115</sup> Open Europe, [The view from Brussels: How are the EU27 preparing for a 'No Deal' Brexit?](#) 30 August 2018

<sup>116</sup> Published in [Official Bulletin](#), 2 March 2019

The decree was among the last of Prime Minister Pedro Sánchez's Government before Parliament was dissolved for elections on 28 April.

### **Citizens' rights**

Spain has a large UK expatriate community, which is estimated to number between 300,000-400,000 (some believe it is much higher).

The Spanish Government assured them that their rights will be protected after Brexit if there is no deal. On 1 March 2019 the Government announced in its [decree-law](#) (see above) that UK citizens' residence rights would continue, including access to healthcare, social security, education, travel, pensions and free movement, as long as the UK reciprocates. UK nationals will be able to stay in Spain if they have a certificate of residency before exit day. If they do not hold this document, they can remain until their situation is resolved. UK nationals and their family members will have to apply for a residence card (*Tarjeta de Residencia*) by the end of 2020 to establish their permanent right to remain. The plan emphasises that it depends on Spanish border workers receiving equivalent treatment (over 9,000 Spaniards cross the border to work in Gibraltar every day and an estimated 150,000 Spaniards live in the UK).

On 21 January the UK and Spain signed a bilateral treaty giving UK citizens living in Spain and Spanish citizens living in the UK the right to vote and stand for office in local elections after Brexit.

The Government has also provided a transitional period of nine months in which UK citizens living in Spain who hold a valid UK driving license may continue driving in Spain and exchange it for a Spanish one.

### **Borders and customs**

In February the Government approved a decree to hire 1,735 new staff to address no-deal difficulties, particularly in border and customs control.

### **Business and services**

The 2018 *Elcano* report (see above) pointed to possible damage to the Spanish tourism industry ("Spain receives millions of British tourists every year, accounting for almost a quarter of visitors to the country") and the need for the industry to prepare:

it is important that the Spanish tourism industry prepares for a possible reduction in British visits and draws up contingency plans both with the Spanish authorities and with British tour operators, who are equally dependent on tourism to Spain.

On 6 November 2018 the *Independent* reported that Tourism Minister Reyes Maroto was meeting UK tour operators "to discuss contingency plans to ensure millions of British tourists can still visit her country in the event of a no-deal Brexit".<sup>117</sup>

---

<sup>117</sup> The Independent, [Spain seeks contingency plans with UK tour operators over fears of no-deal Brexit](#), 6 November 2018

*Politico* reported on 2 November 2018 that “Only 31 percent of Spanish companies have made contingency plans for Brexit, and just 19 percent have started implementing those plans, [according to a survey](#) of 2,000 executives conducted by KPMG in coordination with the CEOE, Spain’s biggest business lobby”.<sup>118</sup> But the report went on to outline Government initiatives to help businesses prepare for Brexit.

In the Parliament Prime Minister Sánchez and Foreign Minister Borrell emphasised the need for public administration and business leaders to make “their own contingency plans” to face “any kind of scenario that can occur after March 29, 2019”. Deputy Prime Minister Carmen Calvo has been “coordinating plans across all government departments”, preparing to hire extra customs officers and “laying out urgent regulations on trade protocols or phytosanitary standards”.<sup>119</sup>

On 15 January 2019 the Government launched a new page on its Brexit website to provide information for citizens and economic operators on how to prepare for a no-deal UK exit and on contingency measures adopted at national and international levels.<sup>120</sup>

## 2.27 Sweden

In 2017 the Swedish Government asked four agencies to analyse the consequences of Brexit in specific areas. Their conclusions are summarised on the [Swedish Government website](#). The Government also established a ‘preparedness group’ to look into the potential consequences of ‘no deal’.

### **Citizens’ rights**

On 7 March 2019 the Government adopted a regulation which exempts UK citizens who were resident in Sweden under EU law on exit day from the obligation to have a residence and work permit. The exemption will apply for a period of one year from exit day as long as the conditions for residence rights under EU law are fulfilled. UK citizens and their family members will then have time to apply for residence and work permits.

Information on the new measures is on the websites of the Government, [What will a no-deal withdrawal mean for UK citizens resident in Sweden?](#), the Swedish Migration Agency and social media.

Government ministries have published detailed information on changes to Swedish law to address citizens’ rights if there is ‘no deal’:

#### **Ministry of Justice**

[Measures to make things easier for UK citizens in Sweden in the event of a no-deal Brexit \(in Swedish\)](#)

#### **Ministry of Health and Social Affairs**

---

<sup>118</sup> *Politico*, [Madrid tells businesses to get ready for \(any\) Brexit](#), 2 November 2018

<sup>119</sup> *Politico*, *ibid*

<sup>120</sup> Unofficial translation of Government [web page on Brexit](#). See also *El País (in English)*, [Spanish government launches website to warn about effects of Brexit](#), 15 January 2019.

[Measures to mitigate the consequences to social security schemes – export of benefits and coverage of costs for health care conducted in the United Kingdom \(in Swedish\)](#)

[Potential to continue processing ongoing applications on the recognition of professional qualifications for some professions in the health and medical care sector \(in Swedish\)](#)

#### **Ministry of Education and Research**

[Exemption from provisions on application and tuition fees at higher education institutions for certain British citizens after Brexit](#)

[The right of UK citizens not registered in the population register to continue to attend Swedish schools](#)

#### **Ministry of Enterprise and Innovation**

[Temporary exemptions in the Driving Licence Ordinance concerning the validity of UK driving licences in Sweden \(in Swedish\)](#)

### **Business**

Sweden's financial regulator, *Finansinspektionen* (FI), called on "investors clearing derivatives through London to prepare for their counterparties to be considered unauthorised after the UK leaves the EU in March".<sup>121</sup> The FI analysis, [Consequences of Brexit for the Swedish Financial Market](#) (21 June 2018), recommended that investors "assess the likely consequences for liquidity and solvency, and take capital and liquidity planning into account", and that companies should take the possible effects of Brexit on their business models and strategies, and how to "manage potential adverse effects".<sup>122</sup> The Swedish Chamber of Commerce has issued guidance, [Brexit – what is it, and how will it affect my business?](#) (30 October 2018) on its website.

The Government has proposed giving itself the right to issue temporary regulations or delegate the authority to issue regulations to the Swedish Financial Supervisory Authority (the SFSA) to allow UK MiFID II investment firms to provide services into Sweden until the end of 2021. The proposal is before the Swedish Parliament. It was discussed in the Finance Committee on 28 February 2019, which published a report in March 2019. The proposal was debated on 13 March 2019.

The Government has established a [website](#) on its Brexit policy and pages on [Preparations for UK withdrawal and contingency planning for a 'no-deal' scenario](#).

## **2.28 The EEA and EFTA**

Leaving the EU means also leaving the European Economic Area (EEA), which comprises the EU Member States and three of the four members of the European Free Trade Association (Iceland, Norway and Liechtenstein – Switzerland is not in the EEA). A no-deal exit would also affect these countries. This section looks briefly at Norway and Switzerland.

---

<sup>121</sup> IPE, [Swedish watchdog urges preparation for 'hard' Brexit](#), 24 October 2018

<sup>122</sup> Ibid



## Norway

### Citizens' rights

The Norwegian Government has been preparing for Brexit with or without an agreement. In February 2019 Norway, the other EEA/EFTA States and the UK reached an agreement that will safeguard citizens' rights in a no-deal scenario. The [EEA EFTA No Deal Citizens' Rights Agreement](#) ensures the right to work and reside for UK citizens and their family members who are entitled to reside and work in Norway on exit day. The UK Government has published an [Explainer](#) on the Agreement and the Norwegian Government has published [frequently asked questions](#) and answers on citizens' rights in a no deal-scenario (updated 4 April 2019).

### Other UK agreements with EEA/EFTA States

- [Norway and Iceland Trading Arrangements](#)
- [UK-Switzerland-Liechtenstein Trade Agreement](#)
- [Norway Fishing Agreement](#)
- [Iceland Air Services Arrangement](#)
- [Norway Air Services Arrangement](#)
- [Norway Road Transport Agreement](#)

## Switzerland

### Citizens' rights

The UK and Swiss Governments have concluded a [Citizens' Rights Agreement](#) which will apply with or without a withdrawal agreement. Its terms are set out in the Government [Explainer](#).

UK citizens entering Switzerland for the first time after exit day will generally be treated as any other non-EU nationals and will be subject to Swiss laws on Swiss/EU nationals having priority, a quota for non-EU citizens, salary and professional qualification requirements.

But on 13 February 2019 the [Swiss Federal Council announced](#) it would introduce temporarily a special quota of 3,500 permits for UK citizens until future immigration arrangements have been agreed. The quota will be allocated quarterly to the cantons and will apply from 30 March to 31 December 2019 and the cantons rather than the federal authorities will issue permits. Under a bilateral UK-Swiss agreement in December 2018 this quota will not apply to UK citizens who are already living in Switzerland under residence rights acquired under the Agreement on the Free Movement of Persons between Switzerland and the EU. Their residency rights are safeguarded.

### About the Library

The House of Commons Library research service provides MPs and their staff with the impartial briefing and evidence base they need to do their work in scrutinising Government, proposing legislation, and supporting constituents.

As well as providing MPs with a confidential service we publish open briefing papers, which are available on the Parliament website.

Every effort is made to ensure that the information contained in these publicly available research briefings is correct at the time of publication. Readers should be aware however that briefings are not necessarily updated or otherwise amended to reflect subsequent changes.

If you have any comments on our briefings please email [papers@parliament.uk](mailto:papers@parliament.uk). Authors are available to discuss the content of this briefing only with Members and their staff.

If you have any general questions about the work of the House of Commons you can email [hcenquiries@parliament.uk](mailto:hcenquiries@parliament.uk).

### Disclaimer

This information is provided to Members of Parliament in support of their parliamentary duties. It is a general briefing only and should not be relied on as a substitute for specific advice. The House of Commons or the author(s) shall not be liable for any errors or omissions, or for any loss or damage of any kind arising from its use, and may remove, vary or amend any information at any time without prior notice.

The House of Commons accepts no responsibility for any references or links to, or the content of, information maintained by third parties. This information is provided subject to the [conditions of the Open Parliament Licence](#).