



BRIEFING PAPER

Number 09094, 21 December 2020

End of Brexit transition: key changes and preparations

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Summary

The Brexit transition period is scheduled to end on 31 December 2020. The UK and EU are still in negotiations with a view to agreeing a treaty (or set of treaties) that would be ready to come in force when the transition period ends. With significant differences on key negotiating issues remaining, Boris Johnson said on 10 December that it was time for the public and businesses to prepare for a 'no deal' scenario on 1 January 2021. The European Commission published contingency measures for no deal on the same day. Without an agreement in place, UK-EU trade will revert to World Trade Organization (WTO) rules and current co-operation arrangements in several areas will cease. At the time of writing, talks were nevertheless continuing. Irrespective of whether an agreement is reached, the end of the transition period will bring several changes impacting trade, travel and other arrangements between the UK and EU. This briefing provides an overview of key changes, and UK Government and the EU planning for the end of the transition period. It also summarises the European Commission's contingency measures for 'no deal'.

Contents

1. Background	2
1.1 The transition period	2
1.2 The future relationship negotiations	3
2. Key changes at end of transition	4
2.1 Leaving the single market and customs union	4
2.2 The end of free movement	5
2.3 Replacing international agreements	7
3. UK preparations for end of transition	8
3.1 New border arrangements	8
3.2 Public information campaign	10
4. EU preparations	12
4.1 Communication on "readiness at the end of the transition period".	12
4.2 Commission readiness notices	13
4.3 No deal contingency plans	14
4.4 UK response to EU no deal contingency plans	16

1. Background

The Brexit transition period was originally conceived as a bridging period following the UK's withdrawal from the EU, during which a new framework for the UK-EU relationship would be negotiated and put in place. But after a series of deadlines for reaching a deal were missed and with significant differences on key negotiating issues remaining, Boris Johnson said on 10 December that there was a "[strong possibility](#)" that the UK and EU would not reach an agreement. He said that it was time for the public and businesses to prepare for a 'no deal' scenario on 1 January 2021. The EU also stepped up contingency plans. The Prime Minister and President of the European Commission nevertheless agreed on 13 December to continue talks and "[go the extra mile](#)" to see whether an agreement could be reached.

This paper provides an overview of key changes and preparations for the end of the transition. For further details on changes and the possible impact of having a deal or no deal in specific sectors and areas of co-operation, see the separate Commons Library briefings on the end of transition collected [here](#).

1.1 The transition period

The [Withdrawal Agreement](#) (WA), agreed by the UK and EU in October 2019, came into force immediately following the UK's withdrawal from the EU on 31 January 2020. It provided for a [transition period](#) during which nearly all EU rules continue to apply to the UK and the UK remains part of the EU single market and customs union.

The transition period is scheduled to end at 11pm GMT on 31 December 2020 (or midnight Central European Time). Under the WA the UK and EU [could have agreed an extension to this period](#). But a decision on this had to be made before 1 July 2020. Some commentators suggested that the [transition period could still be extended](#), but this would most likely require a new UK-EU treaty rather than an extension through the WA. The idea of a [new treaty](#) providing for a short "standstill period", which would enable some or all of the current arrangements to continue for a time limited period, has been revived by [some commentators](#). This is seen as a possible way of overcoming the difficulties presented by the very short period left before the end of December for both sides to conclude and ratify the deal and prepare for implementation. This could be a "[standalone](#)" agreement or an implementing phase of a more comprehensive UK-EU future relationship deal. But such an arrangement might be politically difficult to agree for both sides, and [legally difficult](#) for the EU. There is no indication from the UK or EU that this has been seriously considered.

An agreement has to be approved by the European Parliament in a consent vote prior to ratification. Previous [timetables](#) suggested that the Parliament would need several weeks to complete scrutiny, as well as time needed for legal scrubbing, translation and authentication of the text. The European Parliament had said it [would need to see a deal by Sunday 20 December](#) for it to be able to hold a consent vote on the deal by the end of the year. The Council of the EU could decide to [provisionally apply](#) an agreement before a European Parliament consent vote, although the European Commission has previously given undertakings that it would not propose provisional application of agreements without European Parliament consent.¹

¹ The EU has provisionally applied international treaties in the past. For example, the EU-Canada Comprehensive Economic and Trade Agreement (CETA) has been provisionally applied ahead of full ratification by each EU Member State. The October 2019 [Political Declaration](#) on the framework for the

David McAllister, the chair of the Parliament's [UK co-ordination group](#) said on 20 December that given that a deal would not be reached that day the European Parliament [would not be in a position](#) to grant consent to an agreement in 2020. The chair of the Parliament's International Trade Committee, Bernd Lange, said that an agreement would not now be adopted by the Parliament until the new year and that "[transitional solutions](#)" were needed. He said extension of the transition period "would be the best" but the "UK would also have to agree". There were [renewed calls](#) for an extension of the transition on 21 December, including from some Conservative MPs and the Scottish First Minister Nicola Sturgeon. This came after several EU countries imposed a travel ban from the UK and France closed its borders to UK freight traffic in the wake of news of a new more infectious strain of the coronavirus in England. This idea was [rejected](#) by a spokesman from the Prime Minister's office.

1.2 The future relationship negotiations

While some things will change whether or not there is a UK-EU agreement on their future relationship, the extent and nature of future co-operation in several areas will depend on the outcome of the UK-EU negotiations. The formal negotiations on an agreement (or set of agreements) governing the future UK-EU relationship began on 3 March 2020. The Government and the EU had already agreed a [Political Declaration](#) (PD) setting out a framework for the future UK-EU relationship alongside the WA in October 2019. The PD provides an indication of the range of areas that could be covered by a UK-EU agreement (or set of agreements) and the depth of co-operation.²

The PD included a commitment to "an ambitious, broad, deep and flexible partnership". This would involve an economic partnership with a comprehensive Free Trade Agreement (FTA) at its core, together with a security partnership covering law enforcement and criminal justice, foreign policy, security and defence co-operation, and wider areas of cooperation. The economic partnership would cover trade in goods, trade in services and investment, and several sectors including financial services, digital, transport, energy and fisheries. The FTA would ensure no tariffs or quotas across all trade sectors, going beyond existing EU FTAs in this regard. Principles would also be established for UK participation in EU programmes. Prior to the launch of the negotiations the UK Government indicated that it did not view co-operation in foreign policy and defence as requiring a treaty framework, and this has not been covered by the negotiations. Both the UK and EU set out their [negotiating objectives](#) in documents published in February. Further indications of the possible scope of the future relationship were provided in the [draft treaty text](#) tabled by the EU in March, and by the set of [treaty texts](#) published by the UK in May.

Statements from the UK and EU following the initial negotiating rounds referred to differences between the two sides on several issues, with four principal sticking points: i) [governance of the future relationship](#) including treaty architecture and dispute resolution mechanisms; ii) the "[level playing field](#)" to ensure "open and fair" competition (involving common standards on state aid/subsidies and labour and environmental rules); iii) [fisheries](#); and iv) police and judicial co-operation in criminal matters. Statements from the

future UK-EU relationship referred to the possibility of provisional application of a UK-EU agreement. But this was previously viewed as only being necessary if (like CETA) the UK-EU agreement was categorised as a "mixed" agreement, covering EU and Member State competences and therefore requiring ratification within Member States. The expectation is that the UK-EU agreement will be an EU-only agreement and not requiring Member State ratification. However, provisional application can also be used for EU-only agreements. See section 2.1 of Commons library briefing 8834: [The UK-EU future relationship negotiations: process and issues](#) and also [this explainer](#) from the Institute for Government.

² See Commons Library Briefing paper 8714 [Revisions to the Political Declaration on the framework for future EU-UK relations](#)

4 End of Brexit transition: key changes and preparations

two sides in July indicated that there had been some [movement on the issue of governance](#). Reports also indicated that [positions were converging](#) on law enforcement and judicial co-operation, although this would mean the UK losing access to EU law enforcement databases. There were also indications that the EU had dropped its earlier insistence on continued UK alignment with current and future EU state aid (subsidy) policy and on maintaining existing fisheries quotas. However, it was still [seeking guarantees](#) over how future UK subsidies policy would be regulated and agreement on a mechanism for ensuring the UK and EU maintained similar standards across the level playing field.

After an initial deadline to reach an agreement in October passed and the UK [briefly broke off negotiations](#), the UK and EU agreed a [new phase of intensified negotiations](#) based on draft legal texts. Further suggested deadlines to reach a deal have subsequently passed, with the issues of the level playing field and fisheries remaining stumbling blocks.

Impact of no deal

Without an agreement in place, UK-EU trade will revert to World Trade Organization (WTO) rules (meaning tariffs will apply) and current co-operation arrangements in several areas will cease. An agreement would mean continuing co-operation in areas covered by the UK-EU negotiations. But in several areas, including security co-operation and trade in services, the depth of co-operation is likely to be reduced. For further analysis of the likely impact of an agreement in specific sectors and areas of co-operation, and the impact of having no deal, see the collection of Commons Library papers on the end of Brexit transition [here](#).³

Key changes irrespective of whether or not there is an agreement, and UK and EU preparations, are discussed below.

Further reading on the future relationship negotiations

The UK and EU negotiating positions are analysed in more detail in Commons Library briefing paper 8834, [The UK-EU future relationship negotiations: process and issues](#). The early rounds of the negotiations, and the EU's proposed draft treaty text are discussed in Commons Library briefing Paper 8923 [The UK-EU future relationship: the March 2020 EU draft treaty and negotiations update](#). The UK and EU proposals for the future relationship, as set out in their respective treaty texts and previous documents, are compared in Commons Library briefing paper 8920 [The UK-EU future relationship negotiations: summary of positions](#). More recent updates and analysis on specific issues in the negotiations by the Commons Library can be found [here](#).

2. Key changes at end of transition

2.1 Leaving the single market and customs union

The UK will leave the EU single market and customs union when the transition period ends. This would be the case whether or not there is a UK-EU agreement given the UK Government's [stated objective](#) of a free trade agreement (FTA) with the EU, similar to recent EU FTAs with Canada and Japan.

³ See also the report of the House of Commons Committee on the Future Relationship with the EU, [Preparing for the end of the Transition Period](#), HC 1093, 19 December 2020, which discusses preparations in relation to trade in goods (and the operation of the UK-EU border), policing and law enforcement co-operation and the Northern Ireland protocol.

In presenting the Commission proposed directives for the UK-EU negotiations in February 2020, the chief EU negotiator, Michel Barnier, explained that even with a “best-in-class” free trade agreement, the UK and the EU would now have [two separate markets](#). This meant it would not be “business as usual”. Mr Barnier highlighted examples of things that would change as a consequence of this, including:

- the need for customs formalities and [rules of origin](#) (to determine where a product or its components were made) and for regulatory checks for UK goods entering the EU;
- access to the EU market would be subject to certification and market authorisation and supervision activities;
- there would be no harmonisation or mutual recognition of rules;
- UK financial services suppliers would no longer have the passporting rights they used to enjoy under EU legislation.⁴

Mr Barnier said that these were “the automatic, mechanical consequences of the UK's choices”. However, he said the more the UK and EU continued to have common standards the higher the quality of UK access to the EU market.⁵

The Chancellor for the Duchy of Lancaster and Minister for the Cabinet Office [Michael Gove told the House of Commons on 13 July](#) that the UK would be leaving the single market and customs union regardless of the outcome of the negotiations with the UK and EU, and that this “will herald changes, and significant opportunities, for which we all need to prepare—Government, business and individual citizens.”⁶

2.2 The end of free movement

New visa arrangements

Ending freedom of movement has been [a stated objective](#) of the Government since the referendum on leaving the EU. The Government’s command paper on the UK’s new immigration system in February 2020 stated that free movement would end on 1 January 2021 and be replaced by a points-based immigration system applying in the same way for EU citizens and non-EU citizens. But it said that EU citizens visiting the UK would be able to do so without visas for six-month periods, in the same way as citizens of other countries for which a visa is not required.⁷ The [Immigration Act](#) implementing the new system received its Royal Assent on 11 November 2020.

The Council of the EU and the European Parliament [agreed in April 2019](#) that UK citizens coming to the [Schengen area](#) for a short stay (90 days in any 180 days) will be granted visa-free travel. This is the standard formulation applied in the Schengen area for non-EU/non-Schengen countries for which it applies a visa-waiver.

The UK would therefore be added to the EU’s common list of countries whose citizens are exempt from the requirement to have a visa when crossing their external borders. [An EU Regulation](#) sets out the list of countries requiring a visa/those who are exempt. Generally, a short-stay visa issued by one of the Schengen States entitles its holder to travel throughout the 26 Schengen States for up to 90 days in any 180-day period. The visa

⁴ See Commons Library Insight, [‘Equivalence’ with the EU on financial services](#), 19 November 2020

⁵ European Commission, [Statement by Michel Barnier at the presentation of the Commission's proposal for a Council recommendation on directives for the negotiation of a new partnership with the UK](#), 3 February 2020.

⁶ [HC Deb 13 July 2020 c1268](#)

⁷ HM Government, [The UK’s Points-Based Immigration System](#), CP220, February 2020

6 End of Brexit transition: key changes and preparations

exemption only applies for stays of 90 days within the 180 day period. For stays exceeding the “90 days in 180 days” visa-waiver limit, the stay is [subject to national procedures](#) and may require a visa.

The EU has previously indicated that it would like visa rules to be covered by the future relationship agreement on a reciprocal basis, and that this would be for at least 90 days in any 180-day period. Proposed provisions on this were included in the EU’s proposed [draft EU-UK treaty](#) in March 2020.⁸ But the UK Government did not include provisions on its [proposed treaty texts](#) published in May 2020. The Government has indicated that it intends to implement visa-free travel for EU visitors through domestic legislation, rather than through an international agreement.

The Schengen visa rules will also apply for travel to Iceland, Norway, Switzerland and Liechtenstein (non-EU Member States that are members of the Schengen Area). However, they will not apply to the five EU Member States (Bulgaria, Croatia, Cyprus, Ireland and Romania) that are not part of Schengen. These countries can establish their own visa arrangements, although all but Ireland are [seeking to join Schengen](#) in the near future (Ireland has the Common Travel Area with the UK).

It should also be noted that for security reasons the EU is introducing a new European Travel Information and Authorisation System (ETIAS) from late 2022 onwards. This means that even visitors from countries with visa-free arrangements with the EU (including the UK) will have to get this authorisation (the ETIAS visa waiver) to visit the Schengen area. This is similar to the ESTA system for travel to the USA, where visitors pay a one off fee for a travel authorisation which lasts for a set period of time. The ETIAS visa waiver will last for three years (after which it will need to be renewed for future visits) or until the holder’s passport expires (whichever is sooner) and will cost €7 (or free for under-18s). This compares to the US ESTA-waiver which has a duration of two years and costs \$14. The ETIAS-waiver will be for visits for periods of up to 90 days.⁹

The UK Government has also previously indicated it intends to introduce a similar Electronic Travel Authorisation (ETA) system in the future for visitors to the UK.¹⁰ The Government’s 2025 Border Strategy, published on 17 December, provided more detail on the new system which is still in development. It said initial testing for it would begin in September 2021.¹¹

Passports needed

The UK Government has published guidance for UK citizens travelling to the EU after the end of the transition, explaining the future visa rules and the possible need for other documentation. It explains that UK passport holders will need to have six months left on their passport when travelling to the EU from 1 January 2020. Passports will also need to be less than ten years old. It also warns that UK citizens may no longer be able to use the border control lanes for EU citizens.¹²

The EU’s Europa website states that the requirement for non-EU nationals is to have at least three months on their passport after the date they intend to leave the EU. It confirms that the passport will need to be issued within the previous ten years. It also explains that

⁸ See section 2.8 of Commons Library briefing paper 8923 [The UK-EU future relationship: the March 2020 EU draft treaty and negotiations update](#).

⁹ For further information see: <https://www.schengenvisainfo.com/etias/>.

¹⁰ See HM Government, [The UK’s future skills-based immigration system](#), Cm 9722, December 2018

¹¹ HM Government, [2025 Border Strategy](#), CP352, December 2020

¹² See <https://www.gov.uk/visit-europe-1-january-2021>

border officials in EU countries may ask for other supporting documents such as an invitation letter, proof of lodging, return or round-trip ticket.¹³

The Government has also [announced](#) it is phasing out the use of EU, EEA and Swiss national identity cards to enter the UK. These will not be acceptable for travel to the UK, including for drivers, from October 2021.

Health cover and driving permits

The [Government guidance](#) indicates that the EHIC health card providing cover for visits to the EU may no longer be valid from 1 January and that travellers to the EU are advised to get adequate travel insurance. Whether a similar scheme will be in place from 1 January will depend on the outcome of the UK-EU future relationship negotiations.

On 17 December, the Government [announced a temporary scheme](#) until the end of 2021 which would cover the cost of some types of ongoing treatments for UK residents travelling abroad. For further details of the impact of the end of transition and what might happen in deal and no deal scenarios in relation to health care and social security arrangements see Commons Library briefing paper 9097, [End of Brexit transition: Social security co-ordination](#).

The [Government guidance](#) also states that UK license holders driving in the EU from 1 January may need an international driving permit.

Pet passports

The existing pet passports scheme will also no longer be valid. [Government guidance](#) issued on 16 December confirmed that owners of pets would need to get the appropriate vaccinations and an animal health certificate from a vet for their dog, cat or ferret ahead of travel to the EU or Northern Ireland. See Commons Library briefing 8667, [Brexit and Pet Travel](#) for further details on this change.

2.3 Replacing international agreements

The EU's international agreements will cease to apply to the UK at the end of the transition period. These number [over a thousand](#), but many of these are [not directly relevant](#) to the UK, have been superseded or are supplementary agreements or protocols to existing agreements. In January 2019, the Government said that there were [around 400 EU treaties](#) with a direct impact on the UK, but a much lower number of more immediate material issue for when the UK left the EU. In March 2019, the Government released a [list of 158 international agreements across](#) different policy areas that it is seeking in order to replace current arrangements should the UK leave the EU without a deal. It also referred to an unspecified number of additional agreements in certain policy areas. The list included 39 trade agreements covering more than 70 countries, as well as agreements in aviation, civil nuclear co-operation, customs, environment, fisheries, food and drink, insurance, intellectual property, justice and home affairs co-operation, land transport, livestock, mutual recognition, nuclear research, organic equivalence, political co-operation and wider trade and customs.

The Government provided updates to this list indicating the state of play in negotiations and whether agreements had been reached. See Commons Library paper [CBP8370 UK replacement of the EU's international agreements after Brexit](#), which provided a summary of the state of play in reaching these agreements in September 2019. This indicated that

¹³ See https://europa.eu/youreurope/citizens/travel/entry-exit/non-eu-nationals/index_en.htm

8 End of Brexit transition: key changes and preparations

most of the identified agreements relating to air services, insurance, nuclear co-operation and safeguards, and land transport had been completed. Several agreements on fisheries were also close to completion.

The Government stopped updating these pages in May 2020 and a notice on the relevant webpage states that it has been withdrawn and is out of date. It is unclear whether the Government continues to consider all of these agreements as necessary, although several more of these treaties have been completed in the meantime. An indication of progress on completing treaties is however provided by the Parliament [Treaty Tracker](#) for all treaties laid before Parliament under the *Constitutional Reform and Governance Act 2010* since June 2017.¹⁴ These treaties are also being monitored and scrutinised by the [House of Lords EU International Agreements Sub-Committee](#)

The Government has continued to update on [progress on replacement trade agreements](#). Most of these had been completed by December 2020. The Government said it had negotiated new or replacement trade agreements covering [58 countries](#) that were previously covered by EU trade agreements. Some of these do not fully replace the trading arrangements covered by EU agreements, notably the agreements with Norway and Iceland, and with Switzerland. Replacing previous arrangements with these countries would not be possible given their participation in the EU single market. The Department for International Trade indicates that replacement trade arrangements are still being discussed with nine countries. These include with Turkey, but future arrangements will be dependent on the outcome of UK-EU negotiations given Turkey's customs union with the EU.

3. UK preparations for end of transition

3.1 New border arrangements

On 12 June, [the Government announced](#) new Great Britain border arrangements to be introduced at the end of the transition period. These would involve border controls for EU goods, and would be introduced in three stages to give businesses more time to prepare.

- From January 2021: Traders importing standard goods, covering everything from clothes to electronics would need to prepare for basic customs requirements, such as keeping sufficient records of imported goods, and would have up to six months to complete customs declarations. Any tariff payments can be deferred until the customs declaration has been made. There will be checks on controlled goods like alcohol and tobacco. Businesses will also need to consider how they account for VAT on imported goods. There will also be physical checks at the point of destination or other approved premises on all high risk live animals and plants.
- From April 2021: All products of animal origin (POAO) – for example meat, pet food, honey, milk or egg products – and all regulated plants and plant products will also require pre-notification and the relevant health documentation.
- From July 2021: Traders moving all goods will have to make declarations at the point of importation and pay relevant tariffs. Full Safety and Security declarations will be required. For Sanitary and Phytosanitary (SPS) commodities there will be an

¹⁴ The [Constitutional Reform and Governance Act 2010](#) requires the Government to lay before Parliament most treaties it wishes to ratify, along with an Explanatory Memorandum. See Commons Library briefing paper SN05855 [Parliament's role in ratifying treaties](#).

increase in physical checks and the taking of samples: checks for animals, plants and their products would take place at GB Border Control Posts.

There would be a new £50 million support package to boost the capacity of the customs intermediary sector - including customs brokers, freight forwarders and express parcel operators. This funding will support intermediaries with recruitment, training and supplying IT equipment to help handle customs declarations. The Government said it had provided £84 million in total to grow the customs intermediary sector to encompass EU trade after 2020.

The Government said it had also committed to building new border facilities in Great Britain for carrying out required checks, such as customs compliance, transit, and SPS checks, as well as providing targeted support to ports to build new infrastructure. Where there is no space at ports for new infrastructure, the Government said it will build new inland sites where these checks and other activities will take place. It said it was consulting with ports across the UK to agree what infrastructure is required.

Michael Gove said that the announcement was “an important step” towards getting the UK ready for the end of the transition period, but he said there was still more work to be done by both government and industry to be ready.

New border operating model

In his [July statement on the end of the transition period](#) Michael Gove highlighted the need to prepare, irrespective of whether or not there was a new UK-EU deal. He also announced a new [border operating model](#) setting out detail on how the UK-EU border would operate and comprehensive guidance for the import and export of goods. He said this would provide information to hauliers, shippers, freight companies and customs intermediaries. He said the guidance covered every process and system used across all government departments and had been developed after extensive consultation with industry partners, operators and the Devolved Administrations.

Mr Gove announced an additional £705 million package of funding for border infrastructure, extra jobs and better technology to prepare the border for the end of transition.

On 8 October, the Government published an [update of the border operating model](#). This gave further detail for businesses and anyone travelling across the border as to how the GB-EU border will operate after the end of the transition period. This included a mapping of internal border infrastructure, with confirmation that a Kent Access Permit will be mandatory for Heavy Goods Vehicles (HGVs) using the short strait channel crossings in Kent.

The Government also confirmed that EU, EEA and Swiss national ID cards will not be acceptable for travel to the UK, including for drivers, from October 2021.

National Audit Office report

The National Audit Office (NAO) issued a report on the preparedness of the UK border for the end of the transition period on 6 November. It described preparations to manage the border at the end of the transition period as “[very challenging](#).” It said the ongoing UK-EU negotiations and wider political context, and impact of COVID-19, had significantly affected the government’s and businesses’ ability to prepare. It said that it was very unlikely that all traders, industry and third parties would be ready for the end of the transition period, particularly if the EU implements its stated intention of introducing full controls at its border from 1 January 2021. It noted that the Government recognises that

there will be disruption and that it is putting in place arrangements to monitor issues as they emerge. It said the Government would need to respond quickly to try to minimise their impact. It said the Government had made progress in recent months in implementing the changes required to systems, infrastructure and resources. But it said that “significant risk remains”. These related particularly to the arrangements required to implement the Northern Ireland Protocol (see below).¹⁵

Commons Future Relationship Committee Report

The Report of the House of Commons Committee on the Future Relationship with the EU published on 19 December on [preparations for the end of transition](#) also expressed concern about the overall state of readiness of the new border operation. It said that some decisions on infrastructure had been taken too late, and that it was concerned about late delivery of IT systems, lack of time for businesses and traders to update their own systems and inadequate staffing to carry out checks and certification.

Northern Ireland protocol

The border between the Northern Ireland and Ireland is the UK’s only land border with the EU. The border operating model discussed above relates to the Great Britain-EU border only as arrangements for the Northern Ireland-Ireland border were covered by the WA Protocol on Ireland/Northern Ireland and need to be implemented in a different way. The Protocol was designed to prevent border infrastructure being needed on the island of Ireland, and will see Northern Ireland following EU single market rules for goods and applying the EU’s customs code (its rules on how goods move in and out of the EU) and EU VAT rules. Northern Ireland will at the same time remain part of the UK’s customs territory and VAT area, and be still able to benefit from UK trade agreements. The WA established a UK-EU Joint Committee to oversee the implementation of various aspects of the agreement, including the Northern Ireland Protocol.

In May 2020 the UK Government published a [Command Paper](#) that set out its approach to implementing the Northern Ireland Protocol. In September, the Government introduced the Internal Market Bill which included measures that would allow it to override elements of the Protocol. This led the European Commission to launch infringement proceedings against the UK in October for a breach of the WA. On 8 December, the Government and EU announced that [agreement on implementation of the Protocol](#) had been reached in the Joint Committee. In view of this agreement, the UK Government withdrew the Internal Market clauses allowing it to override the Protocol and said it would not be introducing similar clauses planned for the Taxation (Post-Transition Period) Bill introduced the same day. The Government published a new Command Paper on 10 December, setting out details of the agreement reached in the Joint Committee on implementing the Protocol.¹⁶

For further discussion of the Northern Ireland Protocol and issues relating to its implementation, see Commons Library Briefing 9073, [Background to Taxation \(Post-Transition Period\) Bill 2019-21](#).

3.2 Public information campaign

In his July statement, Mr Gove said the Government was launching a major new public information campaign: “The UK’s new start: let’s get going”. He said this would “make

¹⁵ National Audit Office, [The UK border: preparedness for the end of the transition period](#), 6 November 2020

¹⁶ HM Government, [The Northern Ireland Protocol](#), CP346, December 2020. See also Michael Gove’s [statement](#) to the House of Commons on 9 December.

sure that everyone has the facts they need about the actions we all need to take in order to be ready". He said the campaign would be supplemented by the deployment of experts in the field giving one-to-one support to business and their supply chains, to ensure they have made arrangements that will help keep their operations running efficiently.

A Government [press release](#) on 18 October warned that time was running out to prepare and urged all businesses across the country to check gov.uk/transition to see what action they need to take. It said the Government was launching the latest phase of its public information campaign to emphasise the increasing urgency of preparing for the transition, with the strapline "Time is running out".

The press release also said that the Prime Minister and Mr Gove would be discussing preparations in a call with businesses and would be asking them to "step up their efforts to get ready for the changes and opportunities in just over 8 weeks". It said that HMRC was that day writing to 200,000 traders who trade with the EU to set out the new customs and tax rules coming into place and how to deal with them. It said this followed a clear direction from the Prime Minister that the UK must prepare to leave the EU without a trade agreement after the European Council conclusions of 16 October, which "left us without a basis to continue trade negotiations if there was no fundamental change in the EU's negotiating position" (the UK broke off negotiations with the EU following the European Council but [agreed to resume them](#) again on 21 October).

It said the Government was also redoubling its own efforts to get ready for the end of the year with Michael Gove ordering the XO Cabinet Committee¹⁷ to convene five times per week as of that day.

The press release included a quote from Michael Gove, who referred to challenges and opportunities presented by the UK leaving the EU single market and customs union "in just 75 days". He said: "time is running out for businesses to act".

The press release reiterated that there were definite actions businesses need to take now, whether or not the UK left the EU with Australian style (no free trade deal) or Canadian-style (free trade deal) arrangements. The actions for businesses were as follows:

- If you sell goods to the EU you must prepare for new customs procedures. Visit GOV.UK to check duties and customs procedures for exporting your goods worldwide from 1 January 2021.
- If you travel to the EU for work purposes you will need to check if you need a visa or work permit and apply if necessary.
- If you employ overseas nationals you will need to prepare your business for the implementation of the new immigration system. From 1 January 2021, if you want to hire anyone from outside the UK, including from the EU, you must be a Home Office licenced sponsor.
- If you are a UK business or organisation that receives personal data from contacts in the EEA, you may need to take extra steps to ensure that the data can continue to flow legally at the end of the transition period.
- If you provide services in the EU, you must ensure that your qualifications are now recognised by EU regulations to be able to practice or service clients in the EU.

¹⁷ The Cabinet operations committee, chaired by Michael Gove, responsible for overseeing all of Government's EU exit preparations.

Businesses could also get a bespoke summary of the actions they needed to take by using the tool on [gov.uk/transition](https://www.gov.uk/transition).

The Government published further information materials in November, including [videos for businesses](#) about trading with the EU and a [local communications toolkit](#) with details of actions for businesses and individuals. A [series of webinars](#) on importing and exporting goods, and for specific sectors was also held. Recordings of the sessions were posted via YouTube.

For further discussion of the UK preparations for changes at the UK-EU border, the broader impact of the end of transition on UK-EU trade and possible deal/no deal impacts see Commons Library briefing paper 9083, [End of Brexit transition: trade](#).

4. EU preparations

4.1 Communication on “readiness at the end of the transition period”.

The European Commission emphasises that “there will be [broad and far-reaching consequences](#) for public administrations, businesses and citizens as of 1 January 2021, regardless of the outcome of negotiations.” On 9 July it published a Communication on “readiness at the end of the transition period”.¹⁸ The Communication pointed out that even if the EU and the UK were to conclude by the end of 2020 an “ambitious partnership” covering all areas set out in the [Political Declaration](#) setting out the framework for the future EU-UK relationship (agreed by the UK and EU alongside the WA in October 2019) such an agreement would create a relationship which will be very different from that deriving from the UK’s participation in the EU single market and customs union. It said that, inevitably, this would “create barriers to trade in goods and services and to cross-border mobility and exchanges that do not exist today”. It noted that:

In particular, a free trade agreement does not provide for internal market concepts (in the area of goods and services) such as mutual recognition, the ‘country of origin principle’, and harmonisation. With a free trade agreement there are customs formalities and controls, including those concerning the origin of goods and their input, as well as prohibitions and restrictions for imports and exports.

The Commission said that it was essential that all stakeholders were aware of the “broad and far-reaching changes, which will arise *under any scenario*” regardless of the outcome of the EU-UK negotiations. The aim of the Communication was to highlight the main areas of inevitable change and to facilitate readiness and preparations by citizens, public administrations, businesses and other stakeholders. It said that businesses should consider revisiting their existing preparedness plans.

The Commission said it was reviewing all 102 stakeholder notices published during the withdrawal negotiations when there was a risk of those negotiations ending without a deal. It said most of these continued to be relevant for the end of the transition period. At this point 51 of these notices had been updated to reflect the changes that will occur at the end of the transition period, with further updates to be published later.

¹⁸ European Commission, [Getting ready for changes, Communication on readiness at the end of the transition period between the European Union and the United Kingdom](#), 9 July 2020

The Communication went into more detail on changes that will happen in any scenario. This included sections covering the following areas:

- Trade in Goods
 - Customs formalities, checks and controls
 - Customs and taxation rules for import and export of goods (tariffs, VAT, excise)
 - Certificates and authorisations of products, establishment requirements, labelling and marking
- Trade in services
 - Financial services
 - Transport services
 - Audiovisual services
 - Recognition of professional qualifications
- Energy
- Travelling and tourism
 - Checks on persons
 - Driving licences
 - Roaming
 - Passenger rights
- Mobility and social security coordination
- Company law and civil law
 - UK-registered companies
 - Contractual choice of jurisdiction
- Data, digital and intellectual property rights
 - Intellectual property
 - Data transfers and protection
 - .eu domain name
- International agreements of the European Union

4.2 Commission readiness notices

The Commission had published 89 “[readiness notices](#)” for stakeholders by 10 December. These updated the notices previously published prior to the UK’s withdrawal from the EU. The readiness notices cover a wide range of different policy sectors and technical issues and contain detailed information on what administrations, businesses and citizens have to do to prepare for the changes at the end of the year. These include notices on air transport, asset management, aviation and maritime security, chemicals (REACH), clinical trials, copyright, data protection, emissions trading systems, European Works Councils, excise duties, fertilisers, firearms, genetically-modified organisms, movement of live animals, plant health, rail transport, substances of human origin, timber trade, trade marks and value added tax.

The Commission [press release](#) on no deal contingency plans in December (see below) explained that the Commission had been working closely with EU Member States to inform citizens and businesses about the consequences of Brexit. The “readiness notices” had been published in all official EU languages, and since July the Commission has been carrying out a virtual “*tour des capitales*” to discuss Member States' readiness plans. It said the Commission had also launched a number of awareness-raising campaigns and intensified its stakeholder outreach over recent months. It provided training and guidance to Member State administrations, and would continue to organise sectoral seminars with all Member States at technical level to help fine-tune the implementation of readiness measures, in particular in the areas of border checks for persons and goods.

4.3 No deal contingency plans

On 10 December the Commission published its contingency measures should there be no UK-EU future relationship agreement in place at the end of the transition period. It said there was now significant uncertainty as to whether a deal will be in place.

Given the short time until the end of the transition period, Ursula von der Leyen suggested that even if a deal was agreed, there would be “no guarantee” it can enter into force on time. The Commission [press release](#) explained that while a “no-deal” scenario will cause disruptions in many areas, some sectors would be disproportionately affected “due to a lack of appropriate fall-back solutions and because in some sectors, stakeholders cannot themselves take mitigating measures”.

The contingency measures were therefore targeted at mitigating the significant disruptions in the sectors of basic air connectivity, aviation safety, basic road connectivity and fisheries should a deal with the UK not be in place on 1 January. The Commission published a Communication setting out the measures as well [draft regulations](#) for each of the four sectors.¹⁹ These would require the approval of the Council and European Parliament. The Commission Communication explained that the measures are guided by the following principles:

- Contingency measures cannot provide continuity or replicate the benefits of EU membership or of the transition period. Nor can they provide for a situation that is as beneficial as that which a partnership agreement would provide for. Therefore it explained that contingency measures can by way of principle “never be more far-reaching” than what the EU offered to the UK in the draft text of the agreement on the new partnership between the EU and UK published on 18 March.
- Contingency measures should be targeted to avoiding or mitigating disproportionate disruptions resulting from a no-deal scenario, and should only seek to do so where these effects cannot be remedied or alleviated through the application of existing international or multilateral agreements or appropriate readiness actions. In no way should contingency measures seek to compensate economic actors for having failed to take the necessary actions.
- Contingency measures should provide a transitory solution, while negotiations on a future partnership continue, and not look to mitigate the negative impacts of Brexit in a sustained manner. They must be temporary in nature, so as to not replace a long-term agreement.

¹⁹ [European Commission, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee Of The Regions on targeted contingency measures in the absence of an agreement with the United Kingdom on a future partnership, 10 December 2020](#)

- Contingency measures shall be taken only where action is indispensable at Union level to protect the EU interests, to avoid distortions in or fragmentation of the internal market, and because a similar result could not be achieved through action at Member State level.
- Contingency measures are, by nature, unilateral measures, taken to protect the EU interests. But in some cases their application would depend on the UK reciprocating.
- The territorial scope of contingency measures will not include Gibraltar.

The Communication explained that the Commission saw no need for any other EU-wide legislative contingency measures than those proposed on 10 December. It said it would continue to engage with Member States with the aim of ensuring that national measures do not fragment or undermine the Single Market. It said that national measures should limit the risk of fragmentation and avoid unequal treatment of Member States. Furthermore, they would need to comply with EU law, including the principle of [sincere cooperation](#). The Commission noted that:

At any rate, the EU collectively has a stronger bargaining power than each Member State acting alone. This bargaining power benefits all Member States. It must be used to ensure a level playing field between the EU and the United Kingdom.

It said that in the face of disruption at the end of the transition period, it would be crucial for the EU to continue to respond in a united and coordinated manner. It said the Commission and Member States would remain in close contact to coordinate their response to any issue that might arise and to identify how best to address them. For the period just before and after the end of the transition period, the Commission has set up a Brexit hot line for the use of Member State central administrations, giving them rapid access to expertise in the Commission.

EU citizens, business and other stakeholders would be encouraged to contact their national or local administrations, and the Commission would publish on its website an overview of national Brexit contact points set up by Member States.

Proposed regulations

The Communication provided more detail on the proposed regulations:

- **Basic air connectivity:** The regulation would ensure the provision of certain air services between the UK and the EU for 6 months, provided the UK ensures the same.
- **Aviation safety:** A proposal for a regulation ensuring that various safety certificates for products can continue to be used in EU aircraft without disruption, thereby avoiding the grounding of EU aircraft.
- **Basic road connectivity:** A proposal for a regulation covering basic connectivity with regard to both road freight, and road passenger transport for 6 months, provided the UK assures the same to EU hauliers. This would be subject to the application by the UK of fair competition, social and technical rules equivalent to those of the EU.
- **Fisheries:** A proposal for a regulation to create the appropriate legal framework until 31 December 2021, or until a fisheries agreement with the UK has been concluded – whichever date is earlier – for continued reciprocal access by EU and UK vessels to each other's waters after 31 December 2020.

The Communication also referred to an earlier proposal for a regulation it put forward on 27 November that would ensure the Channel Tunnel would continue to operate until

other arrangements have been put in place. The EU has empowered France to negotiate a new treaty with the UK to establish an EU-recognised framework for oversight of the tunnel.

The European Parliament [voted to approve the four contingency measures on 18 December 2020](#).

Brexit Adjustment Reserve

The Communication explained that the Commission was also preparing a proposal for the Brexit Adjustment Reserve, in line with the [July 2020 European Council conclusions](#). As part of the agreed long-term budget settlement (the Multiannual Financial Framework for 2021-2027), the July European Council agreed to establish a €5 billion Brexit Adjustment Reserve to counter unforeseen and adverse consequences in Member States and sectors that are worst affected by Brexit. The Commission was invited to present a proposal by November 2020.

4.4 UK response to EU no deal contingency plans

Michael Gove gave oral evidence to the House of Commons Committee on the Future Relationship with the EU on 17 December 2020. Asked about the EU's proposed no deal contingency measures on aviation, road transport and fisheries, he said the Government would "look very closely" at those in the event of no deal. He said that the Government would "take a very positive view of reciprocating those positions". On aviation and road transport in particular, the Government took a "positive and benign view" but the EU contingency proposal on fisheries was "a cause of greater contention". However, he said the Government would approach it "in a pragmatic way".

Asked if the Government would be offering any potential contingency measures of its own, Mr Gove referred to the Government's decision to stagger import controls and SPS checks for the first six months and noted that the EU was not taking a similar approach. He said if the EU took other decisions "that help us and our businesses" then the UK approach "will be constructive and pragmatic in response".²⁰

On the same day, Mr Gove also gave evidence to the House of Lords EU Committee. He said the Government would be announcing how it might reciprocate on these measures if there was no agreement with the EU. He said the fisheries measure was "a subject of contention" and the specific ask from the EU was "a bit forward"²¹

Mr Gove also told the Committee that the Government would not be returning to negotiations with the EU in the new year if there was no deal by the end of the year.²²

²⁰ Committee on the Future Relationship with the EU, [Oral evidence: Progress of the negotiations on the UK's Future Relationship with the EU](#), HC 203, 17 December 2020, Q1127-1129.

²¹ House of Lords Select Committee on the EU, [Uncorrected oral evidence: Progress of negotiations on the future relationship](#), 17 December 2020, Q8

²² Q2

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