



# Brexit Checklist

## Exporting Services

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# End of Brexit Transition Checklist: Exporting Services

## Introduction:

The UK's transition period with the EU ended on the 31<sup>st</sup> December 2020. Since the first of January, the way that UK businesses trade with their counterparts in the EU (and some of the nations that the EU has existing trade deals with), employ EU citizens and comply with aspects of certain regulations such as GDPR, has changed. This checklist provides essential information and links to further guidance and support on **Exporting Services**. Further checklists on a range of topics can be found at <https://www.blackcountrychamber.co.uk/brexit/>.

## Key steps that all traders delivering services in the EU should take:

- Understand the impact the end of the Brexit transition period will have on your ability to travel to the EU for the servicing of contracts or other business purposes
- Identify whether your employees need a visa or a work permit to carry out work in the European Economic Area (EEA)
- Check the third country requirements around professional qualifications in the EEA countries you provide services in
- Review your organisation's structure and the legal status of any branches, subsidiaries and offices in each of the EEA countries you operate in
- Ensure that you are compliant with any national rules that cover the provision of services in the country you operate in and that you have applied for authorisation/license if required
- Reassure your clients that you are authorised to carry on providing services in the European Economic Area from January 2021
- Consider the impact of currency fluctuation and how this might affect both your existing and future contracts.
- Seek support: many organisations are working through exactly the same challenges and questions you are, you may benefit from advice from:
  - Professional and legal advisors
  - Chambers of Commerce
  - Your industry body

Please see the final section of this document for more information on sources of support in the Black Country area.

## End of Brexit Transition Checklist: Exporting Services

Below you will find an overview of the key areas that businesses delivering services in the EU should be aware of and further suggestions on steps to take. Please note: it aims to cover key areas for businesses but is not exhaustive.

Area	What is changing	Steps to take
<b>European Economic Area (EEA) Regulations</b>	The UK no longer operates under the EEA regulation covering cross-border trade in services. UK service providers will need to comply with the national regulations of any EU countries they operate in.	<p>Read this gov.uk guidance <a href="#">here</a></p> <p>Check the national regulations of each EU country you provide services in and take any necessary steps to comply</p>
<b>EU Representatives</b>	Certain (UK based) digital service providers now need to appoint a representative in the EU to comply with online security standards or risk being fined.	<p>Read this gov.uk guidance <a href="#">here</a></p> <p>Check to see if your organisation is a relevant digital service provider</p> <p>Appoint an EU representative</p> <p>Inform the ICO that you have appointed a representative in another country</p>
<b>VAT on sales of digital services</b>	<p>Businesses selling digital services to EU consumers are longer able to use the UK's VAT Mini One Stop Shop (VAT MOSS) to declare sales and pay VAT.</p> <p>Businesses will either need to register for the Non-Union VAT MOSS scheme in an EU member state or register for VAT in each EU member state in which they supply digital services to consumers.</p>	<p>Read this gov.uk guidance <a href="#">here</a></p> <p>Register for the Non-Union VAT MOSS scheme in an EU member state after January 1 2021</p>
<b>Structuring your business</b>	UK citizens may be subject to restrictions on their ability to own, manage or direct a company registered in the EEA. The restrictions will vary depending on the sector and country the business is operating in.	<p>Read this gov.uk guidance <a href="#">here</a></p> <p>Consider any legal and regulatory barriers you are likely to face and the impact this will have on your business operations</p> <p>Seek professional or legal advice relating to the country you are operating in and the specific sector</p>

<p><b>Passporting</b></p>	<p>UK financial services firms operating in the EEA no longer have access to passporting. Passporting enables firms to carry out certain activities in other EEA member states, that it has permission for in its home state, without requiring additional authorisation or a branch/ subsidiary based in the country.</p> <p>The EU has yet to make an equivalence decision for financial services which would make it easier for some parts of the sector to continue carrying out financial services activities in the EEA. However, even if equivalence is granted, this would not provide the same level of access for UK firms as they enjoy currently under EU passporting arrangements.</p>	<p>Read this gov.uk guidance <a href="#">here</a></p> <p>Contact the appropriate regulator in any EEA member states you operate in to find out if you can continue to service your customers.</p>
<p><b>Business Travel</b></p>	<p>UK workers need to take additional steps if they are planning to travel to the EU for business</p> <p>UK service providers making short-term business trips may be subject to new requirements (visa, work permits) and restrictions to the types of services they can provide. This will vary depending on the EEA country they are operating in.</p> <p>The Trade and Cooperation agreement agreed between the UK and the EU provides for visa-free short-term business trips of up to 90 days in any 180 period, if they fall within a limited list of permitted activities including research, training, commercial transactions, after-sales services etc</p>	<p>Read this gov.uk guidance <a href="#">here</a></p> <p>Check that employees have a valid passport and meet the entry requirements for the EU country they are visiting</p> <p>Check if your phone operator is planning to reintroduce roaming charges</p> <p>Take out indemnity insurance (if needed) for employees carrying out work in the EU.</p> <p>Find out if your employees are required to make social security contributions in the EU member state they are carrying out work in.</p>
<p><b>Recognition of Professional Qualifications</b></p>	<p>The UK is no longer covered by EU rules on the recognition of professional qualifications and UK nationals will need to have their UK qualification officially recognised by the appropriate regulator in the EEA country they intend to carry out work in.</p>	<p>Read this gov.uk guidance <a href="#">here</a></p> <p>Check to see if your profession is regulated.</p> <p>Ensure that your employees have had their professional qualification officially recognised by the appropriate regulator</p>
<p><b>eCommerce</b></p>	<p>The eCommerce directive no longer</p>	<p>Check whether the services you provide</p>

	<p>applies to the UK. UK online service providers that operate in the EEA will need to comply with the relevant rules of each EEA country they operate in.</p>	<p>fall under the eCommerce directive</p> <p>Read this gov.uk guidance <a href="#">here</a></p> <p>Identify whether your organisation is compliant with the requirements in each EEA country it operates in and take action if required.</p> <p>Consider legal advice if needed</p> <p>Ensure your business maintains ongoing compliance</p>
<p><b>Business auditing, accounting and reporting</b></p>	<p>UK businesses with branches in the EU must comply with accounting and reporting requirements in the EEA country in which the branch is based.</p>	<p>Read this gov.uk guidance <a href="#">here</a></p>
<p><b>Deduction of tax from interest, royalties and dividends</b></p>	<p>Some EU member states may now start to deduct tax from interest, royalty and dividend payments made between UK and EU companies.</p>	<p>Read this gov.uk guidance <a href="#">here</a></p> <p>Check the terms of the double taxation agreement between the UK and the EU country in which the payment is being made from.</p> <p>Consider the need to submit a new (or revised) claim to the tax authorities of the relevant EU member state.</p>

## Further Support for your Business:

There are a number of sources of support and funding to help businesses prepare for changes to the way in which services are exported to the EU:

### The Black Country Chamber of Commerce

The BCCC has teamed up with the West Midlands Combined Authority and our fellow Chambers in the region to offer free support to local businesses through:

- Free webinars on a wide range of Brexit related topics (click [here](#))
- Briefing documents, further checklists and videos on a wide range of Brexit related topics (click [here](#))

Other BCCC support includes:

- Assistance from our Export Documentation team and dedicated International Trade Advisers
- Advocacy support, escalating unanswered questions and lobbying for members' interests (contact [policy@blackcountrychamber.co.uk](mailto:policy@blackcountrychamber.co.uk))

### The Institute of Chartered Accountants in England & Wales (ICAEW)

The ICAEW has a range of resources and guidance on their website to help businesses and chartered accountants with their preparations. Find out more [here](#).

### Financial Conduct Authority (FCA) Helpline

The FCA runs a dedicated helpline for financial services firms with Brexit related queries. Find out more [here](#).

### The Law Society

The Law Society has published guidance to assist solicitors and law firms following the end of the transition period. Firms can send any specific queries to [brexit@lawsociety.org.uk](mailto:brexit@lawsociety.org.uk). Find out more [here](#).

### BEIS webinars

To support business preparations the Department for Business, Energy and Industrial Strategy is hosting free webinars on a range of detailed sector and subject specific topics (such as business travel and providing services in the EU). Find out more about upcoming and recording webinars [here](#).

### Local Enterprise Partnership Growth Hubs

Growth Hubs offer funded businesses advice and support and programmes. The Black Country LEP Growth Hub will be able to address any concerns about how the UK transition will affect your business.