



# Navigating Brexit

**Count down with clarity for  
companies in and outside the UK**

July 2018

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[kpmg.com/Brexit](https://kpmg.com/Brexit)

KPMG's Navigating Brexit tool is designed to help your organization be ready for Brexit, whatever the outcome or timescale.

Prioritize the immediate activities that make business sense irrespective of the political settlement.

Understand the essential contingency actions you'll need to trigger in late 2018 if a deal looks unlikely.

Be clear about what you should do in a transition, once there's more certainty around the final Brexit destination.

# Brexit roadmap for business

## Key

- Supply chain and customs
- Regulation
- Corporate structure and treasury
- People
- Contracts/legal

## Starter checklist

- ✓ Created Brexit PMO
- ✓ Quantified Brexit exposure
- ✓ Mapped risk register
- ✓ Engaged with staff
- ✓ Assessed competitors



## June 2018

- Investigate alternative domestic supply
- Map supply chain network in detail
- Apply for AEO and customs easements (UK and EU)
- Quantify costs of tariffs, customs admin and delays
- Review market access in 'no deal' scenario
- Review financing for next 18 months
- Assess your bank's exposure and future strategy
- Review (and amend) supplier and customer contracts for potential Brexit impacts
- Assess risks including access to customers, suppliers and market infrastructure
- Initiate cross-border mergers to facilitate intra-EU business transfers

## September 2018

- Review manufacturing and warehousing footprint
- Implement new EU and UK customs frameworks (e.g. special procedures and reliefs)
- Increase inventory (if required)
- Review data flows in and out of UK and identify where non-compliant with local privacy rules
- Review hedging positions
- Assess changes to UK immigration rules
- Study feasibility of corporate reorganisations
- Review supplier and customer contracts including incoterms
- Check SLAs can be met

## December 2018

No deal likely

- Assess exposure to border crunch points
- Assess impact of Brexit on suppliers (e.g. staff, tariffs)
- Implement fixes to be privacy compliant in all markets
- Review location of pension/insurance contracts
- Assess impact of restrictions on cross-border movement
- Consider actions to protect your IP

## December 2018

Transition likely

- Assess risk of EU/UK staff leaving despite extension of rights
- Confirm that supplier and customer contracts are not prejudiced by transition
- Assess steps for any transfer of business/assets

## March 2019

- Define future supply chain operating model
- Apply for any required regulatory permissions
- Review reward structure for EU/UK national staff
- Assess operating model in light of possible increased staff costs
- Seek third party consent for business/asset transfers
- Establish new EU/UK subsidiary/branch (if required)

## June 2019

- Make passporting notifications for any new EU/UK subsidiaries
- Assess if higher staff costs impact operating model viability

## September 2019

- Check and plan customs and VAT systems migration strategy
- Establish subsidiaries

## December 2019

- Implement manufacturing changes (if required)
- Restructure supply chain flows to maintain regulation compliance
- Review agency staffing to ensure provision
- Review recruitment strategy and consider new sources
- Implement asset/business transfers

## March 2020

- Begin negotiations on supplier contracts
- Adapt labelling to product regulations
- Update intra-group agreements, policies and external contracts

## June 2020

- Switch logistics routes (if required)
- Increase inventory (if required)
- Review hedging positions
- One year deadline for existing EU citizens to gain UK residency (June 2021)

## September 2020

- Finish implementing supply chain operating model
- Restructure holding company

## DECEMBER 2020

New trade landscape

Changing customer expectations

Digital transformation

Geo-political change

# Contacts



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