



EU Exit - Phase 2 of Negotiations



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CTPA Brexit Factsheet

CTPA welcomes the progress made relating to the financial settlement, the issues of citizens' rights and the UK's relationship with Ireland. These are important commitments and we are now looking forward to talks moving on to transition and trade.

In 2017, CTPA stressed the importance of a sufficient transition period and the need for a pragmatic solution to be agreed by both sides on the continuity of goods on the market in order to avoid a cliff-edge scenario. We met several times with government officials and relevant associations to ensure that the cosmetics industry messages were understood and taken into consideration.

The importance to move on to transition talks as soon as possible

A transition period is vital for the cosmetics industry to be able to adapt to the new regulatory and customs landscape. We welcome the fact that the joint paper states both sides seek "agreement as early as possible in 2018 on transitional arrangement" and that during the transition the UK will remain in the Single Market and the Customs Union, with all its rights and obligations, until a new deal is in force. However at this stage, the practical details have not been discussed in depth and the timing has not been agreed by both sides. CTPA is reaching out to relevant stakeholders stressing that it is crucial for the transitional arrangements to be negotiated and agreed as soon as possible.

If raw materials become unavailable, product re-development can take over 4 years. Therefore in order to ensure business continuity and certainty for future investments the sooner such a phased implementation can be agreed the better it will be.



The EU / UK Future Relationship



We are now approaching phase 2 of the negotiation which will cover the remit of a potential transition period and the framework of the future EU / UK relationship.

The UK's exit from the EU without a new trade agreement in place would be the worst possible outcome for companies in both the UK and EU-27. To ensure the minimum level of impact on trade flows for cosmetics and personal care products between the EU and the UK after the UK exits the EU the European cosmetics industry calls for:

- **A transition period as soon as possible including a workable solution for goods already on the market.**
- **A tariff-free market for the export / import of products, raw**



materials and commodities will be vital to safeguard an efficient supply chain.

It is important to note that the supply chain process for the cosmetics industry is very complex and highly integrated. For most companies it involves UK/EU cross border exchanges and often multiple exchanges. The success of our business across both the UK and the rest of the EU relies on a tariff-free market, an efficient customs system with minimal delays and maximum efficiency for imports and exports for UK/EU trade.

- **Regulatory Continuity.**
The industry relies on regulatory certainty in order to operate effectively in the UK and in the EU. There is a risk of duplication and unnecessary regulatory complexity unless the UK and the EU continues to apply similar regulatory rules and maintains administrative cooperation with Competent Authorities following the EU exit.

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CTPA

Please feel free to forward this factsheet to anyone else in your company focussing on the Brexit implications. This factsheet is also available on the CTPA public [website](#).

CTPA is the authoritative public voice of a vibrant and responsible UK industry. It represents cosmetic manufacturers, brand owners, distributors, ingredient suppliers and service providers; from SMEs to multi-nationals. CTPA's primary goal is to promote good working practice to ensure that consumers are provided with the very best products.

To learn about CTPA membership visit www.ctpa.org.uk