

## BREXIT – ‘No Deal’ Contingency Planning

### Introduction

Independent of the outcome of the negotiations, the UK will leave the EU on 29 March 2019. The differences between a ‘no deal’ scenario or a scenario where a Withdrawal Agreement is in place are explained in the below table.

‘No Deal’	Withdrawal Agreement
NO transition period	Transition period until 31 December 2020
World Trade Organisation (WTO) Tariffs apply	Status quo for trade <ul style="list-style-type: none"> <li>WTO tariffs apply at the end of the transition period unless a Free Trade Agreement (FTA) is in place</li> <li>EU law will continue to apply until the end of the transition period</li> <li>UK law will come into place at the end of the transition period</li> </ul>
EU law cease to apply from day 1 of exit	
UK law to apply from day 1 of Exit	

When the UK leaves the EU, it also leaves the European Economic Area (EEA), the Customs Union and the FTAs that Europe has in place with third countries. This will have consequences on customs, tariffs, movement of people, regulations.

It is still unclear which scenario will apply. Although, companies are reminded that ‘no deal’ is the only default possible outcome therefore companies should prepare for the worst-case scenario.

The UK Government issued a series of [Technical Notices](#) to help businesses understand how they will be impacted by a ‘no deal’ Brexit. In addition to the Technical Notices, the UK Government has launched its [EU Exit public information campaign](#) which also includes a [specific section for businesses](#), aiming to raise awareness of, and directs businesses to [gov.uk/euexit](http://gov.uk/euexit) content that will help them prepare for the UK leaving the EU.

The EU Commission also issued a series of [Technical Notices](#) to help businesses understand how they will be impacted by a ‘no deal’ Brexit.

### ‘No Deal’ Contingency Planning

#### Cosmetics Regulation

EU	UK
EU RP	UK RP
EU PIF	UK PIF
EU CPNP	UK CPNP
Labelling requirements as per Art. 19	Labelling requirements as per Art. 19
Cosmetovigilance	Cosmetovigilance
Distributors obligations	Distributors obligations
Ingredients Annexes	Ingredients Annexes

## EU

The EU published a specific [technical notice](#) on cosmetics to inform companies how to prepare for a 'no deal' Brexit. The technical notice clearly states that UK companies who want to continue selling cosmetic products in the EU will need to comply with the EU Cosmetics Regulation after Brexit.

## UK

The UK published its draft Cosmetics Regulation Statutory Instrument (SI), that will be applicable after 29 March in the event of a 'no deal' Brexit. The SI is available [here](#) and it generally reflects the EU Cosmetics Regulation.

More information can be found in our [public news](#).

## Customs

For more information on which actions need to be taken for customs, VAT and excise goods, see our [public news](#).

The EU Commission also published a notice for 'no deal' preparations on this topic, which can be viewed [here](#). Additional information can also be found in the EU Commission Brexit [Customs Guide](#) for businesses.

## Tariffs

World Trade Organisation (WTO) rules will apply for goods moving from the UK into the EU, may impact both finished products and raw materials. You can consult the [Market Access Database](#) to check the customs codes of the product categories that may be affected.

## FTA

The UK will not benefit from any FTA that the EU has in place with third countries.

## Goods on the market

### EU

The EU Commission published a [Q&A](#) on industrial products, explaining how goods placed on the EU market before Exit day will be impacted.

### UK

As per Article 19 of the UK Cosmetics Regulation draft SI, products with an EU address, but no UK address, on pack can be made available on the UK market for 24 months after Exit day.

## REACH

The draft UK REACH SI can be viewed [here](#). For more information on the impact of 'no deal' Brexit on REACH, please view the [CTPA Factsheet](#) on the UK REACH proposal. The UK Government 'no deal' technical notice on UK REACH can be viewed [here](#).

Under the new UK REACH SI companies will have specific actions to take and may change their role vs EU REACH and therefore their obligations.

<b>UK-based registration holders</b>	<ul style="list-style-type: none"> <li>• Pre-registration within 120 days from Exit day. Information to be submitted is as below:           <ul style="list-style-type: none"> <li>○ identity of the manufacturer or importer;</li> <li>○ identity of the substance;</li> <li>○ information on the manufacture and use of the substance;</li> <li>○ an indication that the information submitted has been reviewed by an assessor having appropriate experience;</li> <li>○ registration number and registration date under EU REACH;</li> <li>○ any existing ECHA decision which relates to the registration.</li> </ul> </li> <li>• Full registration after 2 years from Exit day.</li> </ul>
<b>EU-based registration holders</b>	As UK-based registration holder, but via Only Representative based in the UK.
<b>UK Downstream Users (DU) and Distributors</b>	<p>DUs and Distributors will be regarded as such for a 2 year period post Exit day.</p> <ul style="list-style-type: none"> <li>• Pre-registration within 180 days from Exit day. Information to be submitted is as below:           <ul style="list-style-type: none"> <li>○ identity of the manufacturer or importer;</li> <li>○ identity of the substance;</li> <li>○ the classification and labelling of the substance, only if it is known;</li> <li>○ registration number under EU REACH, only if it known;</li> <li>○ if the substance is subject to authorisation and any related details;</li> <li>○ details of any restriction;</li> <li>○ any other available and relevant information about the substance that is necessary to enable appropriate risk management measures.</li> </ul> </li> <li>• At the end of the 2 year transitional period, DUs may still have the same role and obligations (if someone else in the supply chain has registered the substances they are using), or they will become importers and will therefore have full registration obligations.</li> </ul>

More information can also be found on the European Chemicals Agency (ECHA) [Brexit page](#), which includes helpful Q&As, videos and guidance.

## CITES

The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) is an international agreement with the aim of ensuring that international trade in specimens of wild animals and plants does not threaten their survival. The UK is a signatory to CITES in its own right. Therefore, CITES requirements will continue to apply after the UK leaves the EU. In the EU, CITES is implemented via the EU Wildlife Trade Regulations, which set requirements for trade in certain species within, to and from the EU and the rest of the world. Currently, this means that movement of CITES-controlled goods can occur between the UK and EU without the need for permits. Following the UK's exit from the EU, movement of all species controlled under CITES between the UK and the EU will no longer take place freely. Import, export and re-export permits will be required. For more information see our [public news](#).

## Extra Considerations

### Impact of 'No Deal' on GDPR

In the event of a 'no deal' Brexit, UK companies need to ensure they continue to comply with GDPR.

The below resources might be helpful when considering how your data flows could be impacted:

- the [Government Technical Notice](#) highlights what companies need to do in the event of a no-deal;
- the Information Commissioner's Office (ICO) has a section on [Data Protection and Brexit](#) including a six step guidance [checklist](#);
- the ICO has also produced an [interactive tool](#) to help companies decide whether Standard Contractual Clauses are a suitable safeguard for their international data transfers.

### Impact of 'No Deal' on trading in drug precursor chemicals

Drug precursors are chemicals that can be used in the illicit manufacture of narcotic drugs. They also have legitimate commercial uses and are legally used in a wide variety of industrial processes, such as medicines, flavourings and fragrances.

In the event of a 'no deal' Brexit, companies handling and trading in drug precursor chemicals with EU countries will need the same licences and registration that are currently needed to trade with non-EU countries to be able to continue trading with the EU. More information can be found in the 'no deal' [technical notice](#) for this topic. A full list of current drug precursor chemical import or export licensing requirements can be found on the [chart of precursor chemicals](#).

To apply for an import or export licence to trade with the EU, a domestic licence is needed and this can take up to 12-16 weeks to process. Operators wishing to import or export drug precursor chemicals after Brexit should consider applying now for a domestic licence and can [register here](#). Labelling requests and any subsequent application as a 'proactive application in the event of a Brexit no deal' will help the Home Office process applications as soon as possible.

Once a domestic licence is obtained, operators will then be able to apply for import or export licences on the [National Drugs Control System](#); it will only be possible to apply for licences to trade with the EU after the UK left the EU with 'no deal'. Go to [gov.uk](http://gov.uk) for further information and guidance on how to apply.

The Health and Safety Executive (HSE) has published [guidance on the export and import of hazardous chemicals if there's no Brexit deal](#) which covers further guidance on trading in chemicals.

### **Impact of 'No Deal' on CE mark**

In the event of a 'no deal' Brexit, companies will still be able to use the CE marking to demonstrate compliance with the legal requirements and to sell products on the UK market after 29 March 2019. However, companies may need to apply the new UKCA marking to products being sold in the UK.

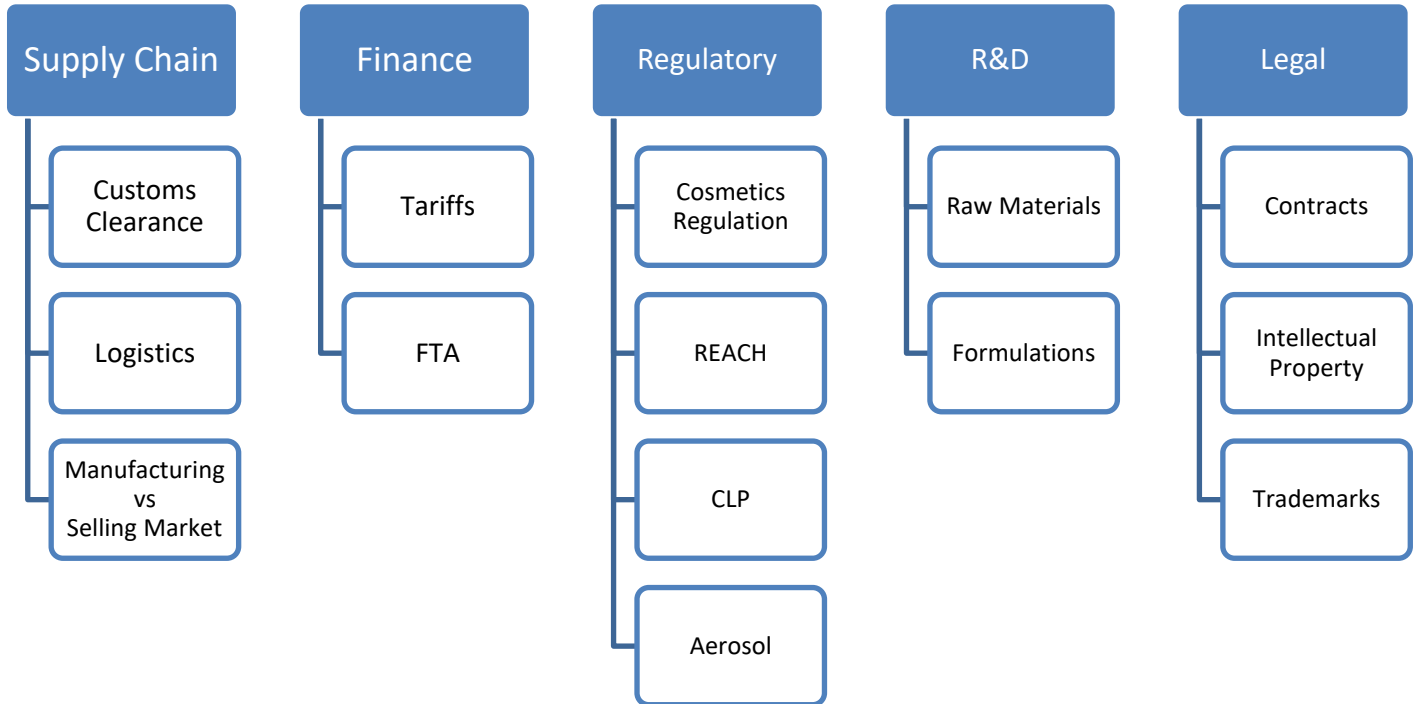
The UKCA marking will not be recognised on the EU market, and products currently requiring a CE marking will continue to require a CE marking for sale in the EU.

More information can be found in the ['no deal' technical notice](#) issued by the UK Government.

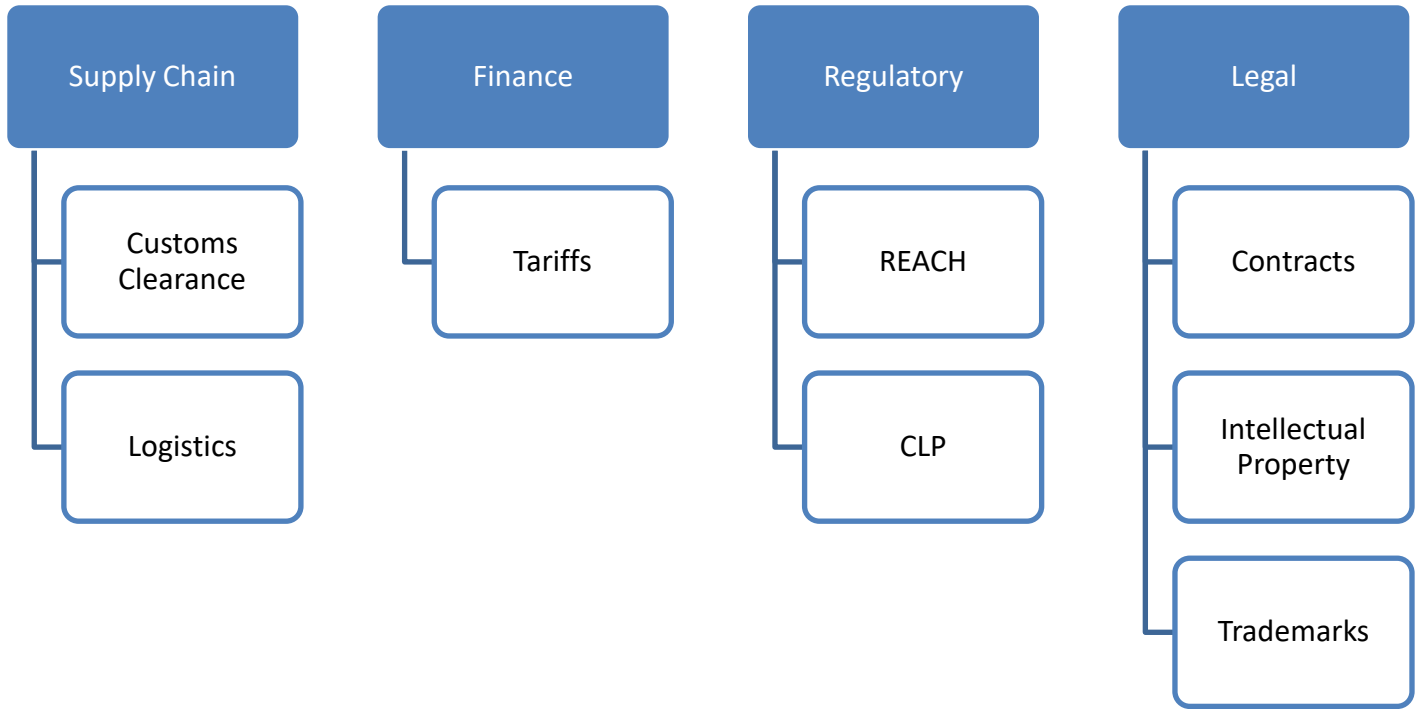
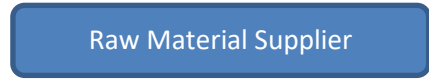
# Key Considerations

## Finished Cosmetics Manufacturer

Manufacturer/Brand Owner



## Raw Material Supplier



**Distributor**

