

October 2020

Dear Colleague

We have been operating in unprecedented times for a few months now. I would personally like to thank all of you in the business community for your patience and co-operation as we work through the Covid-19 pandemic. I do not underestimate the difficulties which the restrictions have and will continue to cause for businesses as we act to protect lives.

Understandably, the Covid-19 crisis and its effects have been the main focus for all of us during much of 2020, and will continue to be with us for some time to come. The Welsh Government has been calling on the UK Government to seek an extension to the EU transition period, which we think would help businesses during this crisis and facilitate a more orderly transition, but these calls have been rejected. Therefore, recognising how difficult it will be for businesses to manage through the end of the transition period over the coming period, I thought I would write with the aim of helping assist businesses which are not yet fully prepared for changes which will occur and affect business operations from 1 January 2021.

From 1 January 2021, the UK will have left the EU Single Market so businesses here will no longer have access to the frictionless trade in goods or services with EU member states. This will be the case irrespective of whether the UK achieves a free trade agreement with the EU or leaves through a non-negotiated outcome.

I understand that the ongoing uncertainty makes the necessary preparations for change difficult, but we know that some things will be different and some actions can be taken now to help prepare.

The UK Government has developed a [tracker](#) from which you can obtain a personalised list of actions. You can keep up to date with changes by registering for [HMRC's email updates](#) which will alert you as things change.

Business Wales EU Transition Portal

The [Business Wales EU Transition Portal](#) provides a central source of advice and guidance for businesses preparing for European transition and includes links to the UK Government's Public Information Campaign which went live on 13 July 2020. We will be using our Business Wales website to keep you updated on latest developments.

Imports, Exports & Customs

The UK Government issued a [letter](#) to all VAT registered businesses trading with the EU which provides a summary of the actions you will need to take. The letter explains what traders need to do to prepare for new processes for moving goods between Great Britain and the EU from 1 January 2021, including:

- Making sure a UK Economic Operator Registration and Identification (EORI) number is obtained.

- Deciding how to make customs declarations.
- Checking if imported goods are eligible for staged import controls.

These actions will not change regardless of the outcome of the UK Government's negotiations with the EU.

Data

UK businesses will be affected where they:

- Receive personal data from organisations abroad, including the European Economic Area (EEA) which includes the EU.
- Operate in the EEA

The EU has an established mechanism, based on adequacy decisions, to allow the unrestricted transfer (subject to General Data Protection Regulations compliance) of personal data to countries outside the EU. The EU has committed in the Political Declaration for the European Commission to begin its adequacy assessment of the UK as soon as possible after the UK leaves the EU, endeavouring to adopt an adequacy decision during the transition period if the applicable conditions are met.

As it is currently uncertain whether or not the EU will make an adequacy decision in respect of the UK before the end of the transition period, you should act swiftly if you want to ensure you can continue to receive personal data from EU/EEA countries in the future. The ICO provides more [detailed guidance](#) on what actions might be necessary.

People – EU Nationals, Migration and Mobility of Staff

If any member of your staff or their family are from the EU, Switzerland, Norway, Iceland or Liechtenstein they will need to [check](#) if they need to apply to the settlement scheme.

Borders

On 12 June 2020, the UK Government announced that [new border controls](#) on imports from the EU to Great Britain will be introduced in stages:

- From January 2021: Traders importing standard goods, covering everything from clothes to electronics, will need to prepare for basic customs requirements, such as keeping sufficient records of imported goods, and will have up to six months to complete customs declarations. While tariffs will need to be paid on all imports, payments can be deferred until a customs declaration has been made. There will be checks on controlled goods such as 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, while for Sanitary and Phytosanitary (SPS) commodities there will be an increase in

physical checks and the taking of samples: checks for animals, plants and their products will now take place at GB border control posts.

If you are engaged in trade with the EU, it will be important to consider how these changes might affect your business.

The Welsh Government will continue to do all it can to help businesses through the end of the EU transition period. We have recently launched the third phase of our Economic Resilience Fund which includes a Business Development Grant scheme. You can use the [eligibility checker](#) to find out whether or not this grant scheme might be able to assist you as you work to develop your business into the future.

Yours sincerely

Ken Skates MS

Gweinidog yr Economi, Thrafnidiaeth a Gogledd Cymru
Minister for Economy, Transport and North Wales

