



HM Government

UK TRANSITION

# UK'S NEW START LET'S GET GOING

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# Services and investment businesses need to take action

The UK has left the EU and the transition period will end on 31 December. As we transition to our new relationship with the EU, we all need to take action to prepare.

From 1 January 2021, there will be a series of guaranteed changes and opportunities for businesses.

Many of these changes will be required regardless of the agreement we reach with the EU on our future trade relationship, as the UK will be leaving the single market and customs union. You can be confident that your preparations for these changes will not be wasted.

You need to check what will change for your business from 1 January 2021 and take action now, to ensure you are not at risk.

We have put together a list of actions that are relevant to your sector to help you to start identifying what your business needs to do. We have provided a summary for each action, explaining why your business needs to act and where you can find further information.

These actions have been categorised into separate themes to help you decide which actions are relevant to your business.

There may be more actions that are relevant to your business. You should visit [gov.uk/transition](https://www.gov.uk/transition) and use the simple checker tool to find out if your business needs to take any further actions.

## Providing Services

- ✓ Get your qualifications recognised now by EU regulators to be able to practise or service clients in the EU
- ✓ If UK-adopted international accounting standards are not determined as equivalent to EU-adopted international accounting standards, UK businesses listed on EU markets may need to produce accounts that comply with EU-adopted international accounting standards (or an equivalent) and UK-adopted international accounting standards
- ✓ Businesses should check if there are any changes to who can own, manage or direct companies in the sector(s) and country(ies) they operate in
- ✓ Businesses should check if there are any changes to the regulations for providing services remotely from the UK to the EEA. They should do this both for the sector they operate in, and the EEA country they wish to provide services to
- ✓ Legal professionals should understand the changes to the legal framework (including changes to civil judicial cooperation) and rights to practice after 31 December

## Data

- ✓ Be prepared on data protection and data transfers
- ✓ Replace .eu top level domain names
- ✓ If you provide online services to countries in the EEA, check if rules in those countries newly apply
- ✓ Ensure compliance with Network and Information Systems Directive if operating in the EU/EEA

## Workforce

- ✓ Signpost your employees to the EU Settlement Scheme
- ✓ Comply with the new immigration policies for recruiting from overseas
- ✓ Check if a visa or work permit is required to travel to the EU for work purposes and apply if necessary

## Access to Research and Development Funding

- ✓ Find out more about Horizon 2020 on gov.uk

## Intellectual Property

- ✓ Business should consider whether changes to the framework for the exhaustion of IP rights will impact their business. They may want to seek legal advice to inform their assessment
- ✓ Business should consider if any potential changes to the eligibility for unregistered designs rights in the UK and the EU will impact their business

## Providing Services

If you're a UK business or professional providing services in the EU or EFTA region, you will need to check the national regulations of the country you're doing business in to understand how best to operate. You will also need to have your UK professional qualification officially recognised if you want to work in a profession that is regulated in the EU or EFTA.

- ✓ **Get your qualifications recognised now by EU regulators to be able to practise or service clients in the EU.**

If you have a UK professional qualification you will need to have this officially recognised by the appropriate regulator for your profession in each country where you intend to work. You will need to do this even if you are only providing short-term or occasional professional services. If you do not do this, you may be unable to continue to practice or service clients in the EU from 1 January 2020. There are different rules if you are a lawyer or an auditor. For more information, visit: [www.gov.uk/guidance/providing-services-to-any-country-in-the-eu-iceland-liechtenstein-norway-or-switzerland-after-eu-exit#recognition-of-professional-qualifications](https://www.gov.uk/guidance/providing-services-to-any-country-in-the-eu-iceland-liechtenstein-norway-or-switzerland-after-eu-exit#recognition-of-professional-qualifications).

- ✓ **If UK-adopted international accounting standards are not determined as equivalent to EU-adopted international accounting standards, UK businesses listed on EU markets may need to produce accounts that comply with EU-adopted international accounting standards (or an equivalent) and UK-adopted international accounting standards.**

Companies preparing IFRS accounts will need to use 'UK adopted IFRS' instead of 'EU adopted IFRS' for financial years beginning after the 1 January 2021. UK incorporated groups with securities admitted to trading on a UK regulated market will need to prepare accounts using UK adopted IFRS for all accounting periods beginning on or after 1 January 2021. UK incorporated companies listed on other EU markets will need to comply with the rules of those markets as well as preparing accounts that comply with the UK Companies Act 2006.

UK incorporated parent companies with a subsidiary in the EEA and UK companies with a presence in the EEA (for example a branch) need to check the reporting requirements in the country where the subsidiary, or branch, is based.

UK incorporated groups that issue debt from a subsidiary incorporated in the EU will need to comply with the rules of the country where the subsidiary is based as well as produce accounts that comply with the UK Companies Act 2006. More information is available at: <https://www.gov.uk/guidance/accounting-for-uk-companies-from-1-january-2021>.

UK companies listed in the EEA need to secure an auditor who is registered as a third country auditor in the relevant EEA states to comply with local audit requirements. More information is available at: <https://www.gov.uk/guidance/accounting-for-uk-companies-from-1-january-2021>.

- ✓ **Businesses should check if there are any changes to who can own, manage or direct companies in the sector(s) and country(ies) they operate in.**

If you have a UK business or are a UK citizen, you might face restrictions on your ability to own, manage or direct a company registered in an EEA country or Switzerland from 1 January 2021. You should be prepared for: additional requirements on the nationality or residency of senior managers or directors and/or limits on the amount of equity that can be held by non-nationals.

Find out more at: <https://www.gov.uk/guidance/providing-services-to-any-country-in-the-eu-iceland-liechtenstein-norway-or-switzerland-after-eu-exit>.

- ✓ **Businesses should check if there are any changes to the regulations for providing services remotely from the UK to the EEA. They should do this both for the sector they operate in, and the EEA country they wish to provide services to.**

If you have a UK business or are a UK citizen, you might face changes to the regulations governing remote service provision from the UK into an EEA country e.g. providing consultation services over email or video call. Certain sectors may face additional information or authorisation requirements, or a requirement to establish a legal presence in the EU to continue providing such services. This will vary by sector, and also by member state.

If you provide a more highly regulated service, such as legal, accounting or healthcare related services, it is more likely there will be new requirements to consider. You should check the relevant member state sectoral regulation and seek legal advice if you require further guidance.

Find out more at: <https://www.gov.uk/guidance/providing-services-to-any-country-in-the-eu-iceland-liechtenstein-norway-or-switzerland-after-eu-exit>.

- ✓ **Legal professionals should understand the changes to the legal framework (including changes to civil judicial cooperation) and rights to practice after 31 December.**

EU and EFTA legal professionals practising in the UK will no longer be able to carry out reserved legal activities in the UK under their home title after 31 December. The appropriate action will depend on the legal services you practise and your business model.

If you want to provide reserved legal activities, you will need to requalify as an English, Welsh or Northern Irish lawyer with the relevant regulator under routes for foreign lawyers. If you do not want to provide reserved legal activities but want to work jointly with an English or Welsh lawyer, you will need to register as a Registered Foreign Lawyer in England and Wales with the relevant regulator.

You can also work under the supervision of an English, Welsh or Northern Irish lawyer, or only undertake unreserved legal activities. You may still need to register with another type of regulator depending upon the activities you choose to undertake, for example the OISC for immigration advice and FCA for claims management activities.

Find out more at: <https://www.gov.uk/government/publications/eu-lawyers-in-the-uk-from-1-january-2021/eu-lawyers-in-the-uk-from-1-january-2021>

There will also be changes to family law disputes, including divorce and maintenance cases. More information is available at: <https://www.gov.uk/government/publications/family-law-disputes-involving-the-eu-guidance-for-legal-professionals-from-1-january-2021/family-law-disputes-involving-the-eu-guidance-for-legal-professionals-from-1-january-2021>)

There will also be changes to cross-border commercial and civil legal cases. More information is available at: <https://www.gov.uk/government/publications/cross-border-civil-and-commercial-legal-cases-guidance-for-legal-professionals-from-1-january-2021>).

Legal professionals should make themselves aware of these changes and understand how they may affect cases.

#### Other useful links:

- **European Commission's Regulated Professions Database:**  
<https://ec.europa.eu/growth/tools-databases/regprof/index.cfm?action=regprofs>.
- **Single Point of Contact:**  
[https://ec.europa.eu/growth/single-market/services/services-directive/in-practice/contact\\_en](https://ec.europa.eu/growth/single-market/services/services-directive/in-practice/contact_en).

## Data

Personal data is any information that can be used to identify a living person, including names, delivery details, IP addresses, or HR data such as payroll details. Most organisations use personal data in their daily operations. If you receive personal data from the EU for business use, you may need to take action on data protection. Additionally, if you provide online service in the EU, you will have to ensure that you are compliant with relevant requirements in each EU country you operate in.

✓ **Be prepared on data protection and data transfers.**

If you're a business or organisation that receives personal data from the EU/EEA, you may need to take action on data protection as we transition to our new relationship with the EU. Check how you can legally continue to receive personal data such as names, addresses or payroll details from organisations in the EU or EEA from 1 January 2021. You may need to update your contracts or take other steps.

A UK company that receives customer information from an EU/EEA company, such as names and addresses of customers, suppliers or partners to provide goods or services should check how they can legally keep receiving the data from 1 January 2021.

To understand more about the steps you need to take, visit:

<https://www.gov.uk/guidance/using-personal-data-after-brexit>.

A full list of EU and EEA countries is available at: <https://www.gov.uk/eu-eea>.

✓ **Replace .eu top level domain names**

If you hold a .eu domain, check if you need to replace it. From 1 January 2021, you'll no longer be able to register or renew .eu domain names if your organisation, business or undertaking is established in the UK but not in the EU/European Economic Area (EEA), or if you live outside of the EU/EEA and are not an EU/EEA citizen. Find out more at: <https://www.gov.uk/guidance/eu-domain-names-what-you-need-to-do-to-get-ready-for-brexit>.

- ✓ **If you provide online services to countries in the EEA, check if rules in those countries newly apply.**

The eCommerce Directive currently allows UK based online service providers to operate in any EEA country, while only following relevant rules in the country in which they are established. This framework will no longer apply to UK providers from 1 January 2021.

You should consider whether your services are currently in scope of the Directive, and if so, ensure that you are compliant with relevant requirements in each EEA country you operate in. Depending on the nature of your online services you may already comply with these requirements.

Find out more at: <https://www.gov.uk/guidance/e-commerce-directive-what-online-service-providers-in-the-uk-should-do-to-get-ready-for-brexit>.

- ✓ **Ensure compliance with Network and Information Systems Directive if operating in the EU/EEA**

If your business is a UK based Digital Service Provider to the EU/EEA, make sure you comply with the Network and Information Systems Regulations and the associated EU Directive from 1st January 2021. The Network and Information Systems Directive provides legal measures to boost the overall level of network and information system security in the EU. To comply, you must appoint a representative in one of the EU member states where you offer services. Find out more

at: <https://www.gov.uk/guidance/nis-regulations-what-uk-digital-service-providers-operating-in-the-eu-should-do-after-brexit>.

#### Other useful links:

- **ICO Website - Data protection at the end of the transition period:** <https://ico.org.uk/for-organisations/data-protection-at-the-end-of-the-transition-period/>.
- **Legal aspects of information society services:** <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX%3A32000L0031>.



## Workforce

From 1 January 2021, the free movement of workers will end. Currently EU citizens have the right to move freely within the EU and the right to reside in any EU Member State. This will come to an end after the transition period and the UK will be introducing a points based-immigration system. In preparation, we ask you take the necessary action by the end of December 2020 prior to the UK transition on the 1<sup>st</sup> of January 2021.

✓ **Signpost your employees to the EU Settlement Scheme**

If you employ EU, EEA and Swiss citizens, you can signpost them to the information they need to apply to the EU Settlement Scheme, enabling them to secure their future in the UK. The deadline for applying is 30 June 2021. Find out more at:

<https://www.gov.uk/government/publications/eu-settlement-scheme-introduction-for-employers/eu-settlement-scheme-introduction-for-employers>.

✓ **Comply with the new immigration policies for recruiting from overseas**

From 1 January 2021, free movement will end, and we will introduce the UK's points-based system. EU and non-EU citizens will be treated equally and will need to meet certain requirements to work in the UK. If you want to recruit workers from outside the UK from 1 January 2021, you will need to apply to be a visa sponsor. To find out how to comply with the new system as an employer visit:

<https://www.gov.uk/government/publications/uk-points-based-immigration-system-employer-information>.

✓ **Check if a visa or work permit is required to travel to the EU for work purposes and apply if necessary.**

If you travel to the EU for work purposes from 1 January 2021, you may need a visa or work permit. The country you are travelling to might also ask you to have other additional documents depending on the activity you perform. This advice may be relevant to anyone travelling to the EU for work purposes: this could include anyone working in the private, public or third sector, for example, professional and business services, manufacturing, charities, or the arts. For more information, visit: <https://www.gov.uk/visit-europe-1-january-2021>.

### Other useful links:

- Travel Advice: <https://www.gov.uk/foreign-travel-advice>
- Entry Requirements for providing services and travelling for business to the EU: <https://www.gov.uk/government/collections/providing-services-to-eea-and-efta-countries-after-eu-exit>
- Further Guidance on visiting Europe from 1 January 2021: <https://www.gov.uk/visit-europe-1-january-2021/business-travel-extra-requirements>
- Checking passport validity: <https://www.gov.uk/checkpassport>
- EU Settlement Scheme: <https://www.gov.uk/settled-status-eu-citizens-families>

## Access to Research and Development Funding

Organisations can apply for a funding opportunity. Each opportunity has its own eligibility criteria and scope. UK scientists, researchers and businesses can continue to participate in Horizon 2020 programmes.

- ✓ **Find out more about Horizon 2020 on gov.uk**

You can continue to apply for Horizon 2020 grant funding. Although the UK has left the EU, you'll continue to get any EU funding you've already been awarded. UK scientists, researchers and businesses can continue to participate in Horizon 2020 programmes and receive EU grant funding for the lifetime of individual projects. This includes projects finishing after 1 January 2021. Apply now to Horizon 2020 to secure your funding. For more information, visit:

<https://www.gov.uk/guidance/horizon-2020-what-it-is-and-how-to-apply-for-funding>.

### Other useful links:

- **Horizon 2020 and EU Exit Q&A can be found on:**  
<https://www.ukri.org/research/international/ukri-europe/horizon-2020-q-a/>.

## Intellectual Property

The Intellectual Property system will continue as it is until 31 December 2020. There will be no disruption to IPO services or changes to the UK IP system during this transition period. The IPO will convert almost 1.4 million EU trade marks and 700,000 EU designs to comparable UK rights at the end of the transition period. However, there will be some actions business will have to take in order to protect their intellectual property.

- ✓ **Business should consider whether changes to the framework for the exhaustion of IP rights will impact their business. They may want to seek legal advice to inform their assessment.**

If you currently export intellectual property protected goods (such as goods branded with a trade mark) from the UK to the EEA that have already been placed on the UK market, you may need to contact the rights holder to get permission to continue after 1 January 2021. If you own intellectual property rights in goods first sold in the UK, you will need to consider if you want to allow parallel exports of your intellectual property-protected goods from the UK to the EEA after 1 January 2021. More information is available at: <https://www.gov.uk/guidance/exhaustion-of-ip-rights-and-parallel-trade-after-the-transition-period>.

- ✓ **Business should consider if any potential changes to the eligibility for unregistered designs rights in the UK and the EU will impact their business.**

From 1 January 2021 onwards the unregistered Community design will no longer cover the UK. A new supplementary unregistered design, mirroring the characteristics of the Community right will be introduced in the UK. Unless there is an agreement on disclosure, eligibility will be restricted to the territory in which a design is first disclosed, either the UK or EU. You may not have IP protection in your most important market if you do not make an informed choice about first disclosure of their unregistered designs.

You should consider if any potential changes to disclosure requirements will impact your business and check with your legal team about how best to secure unregistered design protection in the UK and EU. More information is available at: <https://www.gov.uk/guidance/changes-to-unregistered-designs-after-the-transition-period>.