

THE BRITISH CHAMBERS OF COMMERCE BREXIT TRANSITION PRINCIPLES

Chambers of Commerce bring together businesses in cities, towns and counties across the nations and regions of the United Kingdom and in many markets around the world. We help businesses to connect locally and create successful places, we link local businesses to global opportunities and campaign for members' interests.

Chambers of Commerce believe the following principles must guide the work of the Government as it approaches the negotiations on the UK's exit from the European Union – as well as any future new trade arrangement - to ensure the best possible outcome for the diverse business communities we represent.

TRADE

- **Work with businesses, large and small, to define a principles-based negotiating position** - with the objective of achieving the best possible UK-specific terms of trade for UK businesses with the EU-27, rather than rush to accept any 'off-the-shelf' model.
- **Avoid 'capture' by the interests of multinational companies or single sectors** – by adopting a whole economy approach to consultation with business communities in regions/nations.
- **Ensure UK businesses continue to benefit from existing Free Trade Agreements after Brexit** - by working with governments in third countries with EU FTAs to agree transitional arrangements and communicate these clearly to British business.
- **Deep consultation with all exporting and importing businesses on further priority markets** - to ensure new free trade deals have day-one impact on UK trade. British Chambers, in the UK and around the world, stand ready to support Government in developing this approach.
- **A revitalised, expanded trade mission and trade fairs programme with more generous government support** - must be top and immediate priority. The current programme is too small, low-profile, slow and focused too much on ministerial deal-signing rather than supporting real-world businesses. Businesses of all sizes, regions and sectors say this would boost exporters' confidence, build links with key trade partners and underpin deals.

LABOUR MARKET

- **Immediate certainty for businesses on the residence rights of their existing EU workforce is only fair** - both for EU employees and their UK employers - and should not be contingent on any other aspect of the UK's negotiations with the EU-27. Their skills are crucial to business success and Chambers stand ready to work with government, the media and others to counter their intimidation in the workplace.
- **Government must give businesses clarity on hiring from other EU countries** - for specific skills during the transition period and on whether new EU hires will be able to continue post-Brexit – businesses must not be asked to take on this risk.
- **Future immigration policy should allow businesses to meet demonstrable skills needs** - from the EU-27 with minimal bureaucracy, cost or barriers, which is why businesses, particularly SMEs, firmly oppose bringing EU nationals within the scope of the existing Home Office points-based system. Also it is incapable of handling the volume such a move would generate. If EU-27 citizens are subject to future restrictions, a simple, light-touch system is required.

EU FUNDING

- **An immediate Treasury guarantee for all programmes co-financed by the EU to 2020.** Business communities are adamant that this is vital to local productivity, business supply chains and business confidence. Our universities, as major beneficiaries of EU research and capital funding, are also important catalysts for our cities and regions, whose dynamism must be assured.
- **HM Treasury to use its new fiscal mandate to guarantee all EU-funding programmes -** against risk of withdrawal of European co-financing part-way before their conclusion in 2020. All projects already approved or close to final approval should be guaranteed to ensure local regeneration and back-to-work programmes, key infrastructure schemes and R&D continue.
- **Maintain UK access to the European Investment Bank.** EIB loans are critical for UK major infrastructure and utilities programmes that support productivity in business communities.

REGULATIONS

- **Short-term stability of the regulatory framework is essential** – Businesses value a stable regulatory framework over disruption and major change at a time of transition and uncertainty. All existing EU regulations, where businesses have already incurred the costs of adjustment and adaptation, should be maintained for a minimum period before any changes are suggested – even if the object of change is deregulation.
- **HM Government should consider the legal implications of a full incorporation of existing EU regulation into UK law** - up to a certain date with clear provisions for future repeal or change through secondary legislation, as a more thorough review is conducted. Businesses would not be pleased with the uncertainty of a piecemeal ‘great repeal’ act, no matter how politically attractive.

TAXATION AND CUSTOMS

- **A clear transition period for the complex indirect tax issues facing businesses and trading partners** – by accepting existing arrangements before embarking on major changes with significant costs to businesses. There must be no premature disengagement on Brussels-linked tax issues likely to affect British business for some time and HMRC must remain engaged in all EU-level tax policy discussions until the UK leaves the EU.
- **The development of future import and export customs procedures at the UK border and a new UK Customs Code** - to have top level ministerial attention together with business and Chambers of commerce stand ready to facilitate wide consultation with businesses on this.
- **A new UK Origin model to be developed by Government and Chambers of Commerce** – to benefit exporters and ensure a seamless transition to a new UK Origin system, in the interests of businesses and the economy.
- **No hard border on the island of Ireland** - Businesses across Great Britain, Northern Ireland and the Republic of Ireland are united in their desire to maintain trade and people flows.
