IAPI Leaders Brexit Briefing

11 February 2021

Neil Willoughby

Senior Executive, European Affairs, Ibec





About - Ibec

- Ibec is Ireland's largest lobby and business representative group.
- Our purpose is to help build a better, sustainable future by influencing, supporting and delivering for business success.
- With over 230 employees, Ibec engages with key stakeholders in Ireland and internationally through our six regional offices and our Brussels office, along with an extensive international network in the UK and US.
- Ibec positions are shaped by our diverse membership, which range from small to large, domestic to multinational and our 38 trade associations cover a wide range of industry sectors.
- Ibec members employ over 70% of the private sector workforce in Ireland.



Overview

- 1. Overview EU-UK TCA
- 2. Trade in goods
- 3. Trade in services
- 4. Digital trade and data flows
- 5. Others (IP, trademarks etc.)



Context – Withdrawal Agreem

31 January 2020 – Entry into force.

- Citizens' rights: protecting existing EU citizens in the UK, and UK nationals in the EU (excl. Ireland).
- Separation issues: e.g. goods placed on the market or data transfers before 1 January.
- Transition period: an effective EU member without voting rights.
- Financial settlement: honouring existing commitments.
- Ireland: avoid a hard border, protect the all-island economy and the Good Friday Agreement, and safeguard the integrity of the EU Single Market.



Policy - Ibec position

- A smooth exit
- Comprehensive transitional arrangements
- Unique Irish challenges addressed (no hard border, CTA)
- Closest possible future relationship
- A prosperous, competitive future EU



Main issues – For Irish Business

• Trade in goods:

- Rules of Origin provisions
- Customs procedures and delays

• Trade in services:

- Restricted, fragmented and complex conditions
- Data flows
- Financial services
- Brexit & Future EU

- Protocol on Ireland and Northern Ireland
 - Mutual recognition of professional qualifications
 - NI inputs or processing in Irish exports

Overview – EU-UK TCA

Three binding agreements:

- 1. Free Trade Agreement, incl. broader cooperation (economic, social, environmental etc.);
- 2. Partnership on citizens' security;
- 3. Overarching governance framework.

...complemented by a series of non-binding joint and unilateral political declarations.



Content – EU-UK TCA

- 1. Common and Institutional Provisions
- 2. Trade, Transport, Fisheries and other arrangements (including social security coordination)
- 3. Law Enforcement and Judicial Cooperation in Criminal Matters
- 4. Thematic Cooperation
- 5. Participation in Union Programmes, Sound Financial Management and Financial Provisions
- 6. Dispute Settlement and Horizontal Provisions
- 7. Final Provisions



Overview – Trade in goods



- 1. Zero tariffs and zero quotas if compliant with the rules of origin requirements
- 2. Full **bilateral cumulation**
- 3. No diagonal cumulation
- 4. All existing **geographical indications** remain protected



Main issues – Trade in goods

- 1. Rules of Origin:
 - EU -> GB -> IE
 - 3rd country -> GB -> IE
- 2. Customs procedures (IE-GB):
 - Import requirements from 1 January
 - Export requirements gradually introduced



3. Tax compliance:

- VAT payable on IE-GB transactions
- Registration of GB suppliers for IE Vat
- 4. Future regulatory divergence
 - Freedom to diverge if it does not create unfair competition





Overview – Trade in services

- 1. Market access for services
- 2. National treatment
- 3. Local presence
- 4. Short-term business trips
- 5. Most-favoured nation clause



Main issues – Trade in services

- 1. Specific measures for some services:
 - e.g. Telecommunications and delivery
- 2. Exceptions between EU Member States:
 - Local requirements e.g. language
- 3. Professional qualifications:
 - No mutual recognition
 - Structure to assess requests



4. Tax compliance:

- VAT payable on IE-GB transactions
- Registration of GB suppliers for IE Vat
- 5. Future regulatory divergence
 - Freedom to diverge if it does not create unfair competition

Overview – Digital trade and data



- Agreement against barriers to trade such as requiring data localisation for storage or processing.
- Protections for personal data.
- Electronic contracts permitted with exceptions, incl. broadcasting, gambling and legal.
- Commitment to cross-border data flows.
 - EU -> UK data transfers facilitated for 4-6 months while EU concludes a data adequacy decision.



Others

- Intellectual Property
- Trademarks
- Patents
- Copyright





Ibec Campaign - Overview

Provide members with clear and actionable guidance to adjust to the new EU-UK trading relationship:

- Comprehensive suite of planning documents.
- A broad range of technical and political events.
- Insights and expertise from our specialist staff.



Ibec Future EU

Practical guidance for business -A Dedicated Brexit website – Ibec.ie/Brexit

• Clear and actionable advice

 Sector-specific information and FAQs





Contingency support

Policy positioning





Brexit & Beec For Irish Business **Brexit & Future EU**

#futureEU