



'No-deal' Brexit: European Commission takes stock of preparations ahead of the June European Council (Article 50)

Brussels, 12 June 2019

Ahead of the June European Council (Article 50), the European Commission has today taken stock – in its [fifth Brexit Preparedness Communication](#) – of the European Union's Brexit preparedness and contingency measures, particularly in light of the decision taken on 11 April by the European Council (Article 50), at the request of and in agreement with the United Kingdom, to extend the Article 50 period to 31 October 2019.

In light of the continued uncertainty in the United Kingdom regarding the ratification of the Withdrawal Agreement – as agreed with the UK government in November 2018 – and the overall domestic political situation, a 'no-deal' scenario on 1 November 2019 very much remains a possible, although undesirable, outcome.

Since December 2017, the European Commission has been preparing for a 'no-deal' scenario. To date, the Commission has tabled 19 legislative proposals, 18 of which have been adopted by the European Parliament and Council. Political agreement has been reached on the remaining proposal – the contingency Regulation on the EU budget for 2019 –, which is expected to be formally adopted later this month. The Commission has also adopted 63 non-legislative acts and published 93 preparedness notices. In light of the extension of the Article 50 period, the Commission has screened all these measures to ensure that they continue to meet their intended objectives. **The Commission has concluded that there is no need to amend any measures on substance and that they remain fit for purpose. The Commission does not plan any new measures ahead of the new withdrawal date.**

The Commission recalls that it is the responsibility of all stakeholders to prepare for all scenarios. Given that a 'no-deal' scenario remains a possible outcome, the Commission strongly encourages all stakeholders to take advantage of the extra time provided by the extension to ensure that they have taken all necessary measures to prepare for the UK's withdrawal from the EU. Today's Communication provides details on the extensive preparations in the EU27 in areas such as citizens' residence and social security entitlements, customs and taxation, transport, fishing, financial services as well as medicinal products, medical devices and chemical substances.

A 'no-deal' scenario

In a 'no-deal' scenario, the UK will become a third country without any transitional arrangements. All EU primary and secondary law will cease to apply to the UK from that moment onwards. There will be no transition period, as provided for in the Withdrawal Agreement. This will obviously cause significant disruption for citizens and businesses and would have a serious negative economic impact, which would be proportionally much greater in the United Kingdom than in the EU27 Member States.

[As outlined by President Juncker](#) in the European Parliament on 3 April 2019, should a 'no-deal' scenario occur, the UK would be expected to **address three main separation issues** as a precondition before the EU would consider embarking on discussions about the future relationship. These are: (1) protecting and upholding the rights of citizens who have used their right to free movement before Brexit, (2) honouring the financial obligations the UK has made as a Member State and (3) preserving the letter and spirit of the Good Friday Agreement and peace on the island of Ireland, as well as the integrity of the internal market.

The EU's 'no-deal' preparedness and contingency work: continued vigilance in selected areas

Preparing for the UK's withdrawal is a joint effort by public administrations and economic operators. The Commission has held extensive technical discussions with the EU27 Member States both on general issues of preparedness and contingency work and on specific sectorial, legal and administrative preparedness issues. The Commission has also completed a tour of the capitals of the 27 EU Member States. The visits showed **a high degree of preparation by Member States for all scenarios.**

Today's Communication focuses on areas in which **continued and particular vigilance** is needed in the coming months:

Citizens' residence and social security entitlements

- Member States had prepared or adopted national contingency measures before 12 April 2019 to ensure that UK nationals and their non-EU family members could remain legally resident in the immediate period after a 'no-deal' withdrawal.
- To provide further clarity, the Commission has provided an overview of residency rights in the EU27 Member States (see [here](#), including direct links to [national preparedness websites](#)). This will continue to be updated.

Medicinal products, medical devices and chemical substances

- Only a small number of centrally authorised medical products (around 1%) had not been brought into regulatory conformity by 12 April 2019. The European Medicines Agency (EMA) is now close to completing the regulatory compliance process for products that are authorised centrally.
- For products that are authorised at national level, more work remains to be done to bring remaining medicinal products into regulatory compliance by 31 October 2019.
- The transfer of certificates for medical devices from UK notified bodies to EU27 notified bodies is ongoing.
- As regards chemical substances, by the end of April 2019, REACH registrations of 463 substances had been transferred to the EU27 Member States, while 718 still remained registered only by registrants established in the United Kingdom. The European Chemicals Agency (ECHA) opened a 'Brexite window' in REACH-IT to take the necessary steps to transfer their REACH registrations ahead of the withdrawal date.

Customs, indirect taxation and border inspection posts

- In the field of customs and indirect taxation, the Commission organised numerous technical meetings, and published guidance notes on customs, value-added tax (VAT) and excise ahead of the previous withdrawal date.
- National administrations have made significant investments in infrastructure and human resources, primarily in Member States that are the main entry and exit points for the EU's trade with the United Kingdom. Member States are also working with the Commission in its training and communication efforts to reach out to economic operators and stakeholders in general.
- In the field of sanitary and phytosanitary controls (SPS), EU27 Member States have set up new Border Inspection Posts (BIPs) or extending existing ones at entry points of imports from the United Kingdom into the EU.

Transport

- The contingency Regulation on air transport includes a specific mechanism for EU airlines to comply with the EU majority ownership and control requirements. This process is underway and the Commission is in regular contact with national authorities.
- In the rail transport sector, operators that have not taken the necessary steps to obtain the relevant EU27 documents should do the necessary to obtain them.

Fishing activities

- In the fisheries sector, the Commission has taken swift action to implement the EU contingency Regulations. The Commission and Member States have worked together to collect information in the appropriate format so that authorisation requests by EU vessels to access UK waters can be handled as soon as the contingency Regulation on fishing authorisations becomes applicable.
- The Commission has also worked closely with Member States to adapt their Operational Programmes so that resources under the European Maritime and Fisheries Fund can be used for temporary cessation, if needed and appropriate.

Financial services

- While in the run-up to 12 April 2019, firms had made significant progress with their contingency planning, some residual issues remain. Insurance firms, payment services providers and other financial service operators which remain unprepared regarding certain aspects of their business (for example contract management and access to infrastructures) are strongly encouraged to finalise their preparatory measures by 31 October 2019. The Commission is working with EU level and national supervisors to ensure that firms' contingency plans are fully implemented, and it expects that UK supervisors will not prevent firms from implementing such plans.

For more information: what should I do in a 'no-deal' scenario?

To know more about how to prepare for a 'no-deal' scenario, EU citizens can contact [Europe Direct](#) for any questions. Call Freephone **00 800 6 7 8 9 10 11** from anywhere in the EU, in any official EU language.

Further useful links:

EU citizens

- [Today's Communication](#)
- [European Commission preparedness website](#)
- [Overview of residence rights in each EU27 Member States](#)
- [Member States national 'no-deal' websites](#)
- [Notice on Travelling](#)
- [Factsheets on travelling, citizens' rights, studying, and consumer rights](#)
- [Q&A on Erasmus](#)
- [Q&A on a 'no-deal' scenario](#)
- [Information for EU citizens living in the UK](#)

EU businesses

- [A range of materials](#) on customs and indirect taxation (including [a simple 5-step checklist](#)) for businesses
- [Information related to Agriculture](#)
- [Seven Things Businesses in the EU27 need to know in order to prepare for Brexit](#)

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