



Department for
Business, Energy
& Industrial Strategy

EU Exit Business Readiness Forum

Focus on Data and Organisational Compliance

Thursday 14 February

February 2019



Department for
Business, Energy
& Industrial Strategy

Purpose of this document

Delivering the deal negotiated with the EU is the government's top priority. However, a responsible government must prepare for every eventuality, including a no deal scenario.

These materials were presented at the EU Exit Business Readiness Forum on February 14 2019 to provide information to trade and representative bodies, and other business intermediaries in order that their members and businesses in their networks may prepare.

All the information in this document is based on publicly available information as published in the Technical Notices on www.gov.uk

For further information please visit euexit.campaign.gov.uk

Contents

1 Organisational Compliance

2 Personal data transfers

How things work today



UK citizens and firms face no restrictions on ownership or management of EU operations



EU Member States are required to give effect to cross-border mergers involving the UK

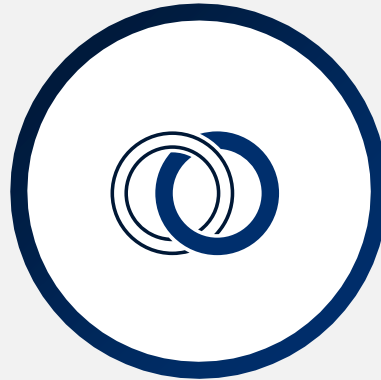


UK incorporation recognised across the EU

What is changing for UK businesses in the EU



Restrictions on EU operations



EU cross-border merger regime no longer available for UK companies



New accounting and audit requirements



Restrictions for UK businesses with EU operations



Ownership and management limitations



Additional legal requirements to operate



Limited liability may not be recognised



Cross-border mergers



UK-EU mergers will be structured through private contractual arrangements, not via EU regime



UK companies should seek to complete any merger before exit



Ongoing mergers may wish to seek legal advice on their individual case



New accounting and audit requirements



Specific accounting and reporting requirements for each Member State



Need to secure a UK auditor who is registered as a 'third country auditor' in an EEA state to raise capital on a regulated market there



UK auditors not automatically recognised in EU; registration required to audit UK clients with debt or equity traded on EEA markets; audits of all non-UK clients would depend on that EEA State's own system and rules.



UK firms not recognised amongst majority of qualified owners or managers of EEA audit firms

Further advice and guidance on action to take

Source of material in this section

Structuring your business -
Available [here](#)

Accounting and audit if there's no
Brexit - Available [here](#)

Additional information beyond this presentation

There may be other issues not
addressed in this material

Please visit gov.uk/euexit for the
latest information

Please visit the [European e-Justice Portal](#) for further
information on EU MS
requirements

Contents

1 Organisational Compliance

2 Personal data transfers

Data protection: How things work today



Transfers of personal data within the EU are governed by the General Data Protection Regulation. In the UK the Data Protection Act 2018 and the GDPR provide a comprehensive data protection framework.



GDPR provides users with greater control over personal data and harmonised data protection rules across the EU

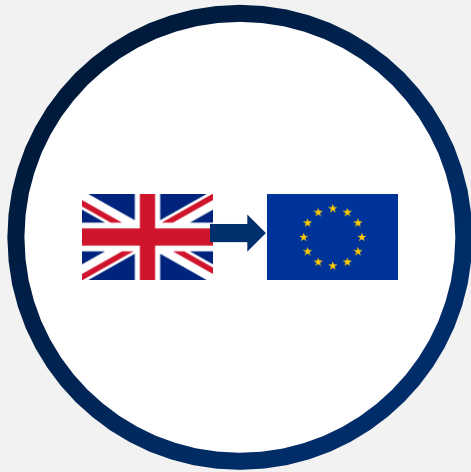


GDPR also regulates data transfers from the EU to the rest of the world



Our data protection laws will be aligned with the EU's at the point of exit. There will be no immediate change in the protection of personal data post-exit

After exit: Personal data sent **out** of UK



Transfers to EEA
Personal data can continue to flow freely out from the UK without restrictions



Transfers to non-EEA
Alternative mechanisms needed dependent on country



Personal data from UK can continue to flow to EEA



In a No Deal, the UK would continue to allow the free flow of personal data from the UK to the EU after the point of exit



As set out in the technical notice, the UK government would keep this arrangement under review to ensure UK residents' personal data receives an adequate level of data protection



In the UK, the Data Protection Act 2018 will remain in place and the EU Withdrawal Act will incorporate the GDPR into UK law to sit alongside it



Personal data can continue to flow to **rest of the world**



Transfers from UK organisations to countries where the EU has made an adequacy decision (prior to exit day) can continue uninterrupted as the UK will preserve the effect of these decisions on a transitional basis.



For countries without a recognized adequacy decision, organisations should continue using a safeguard in line with GDPR:

- Standard contractual clauses (appropriate for majority of transfers between parties)
- Binding corporate rules (within corporate groups)

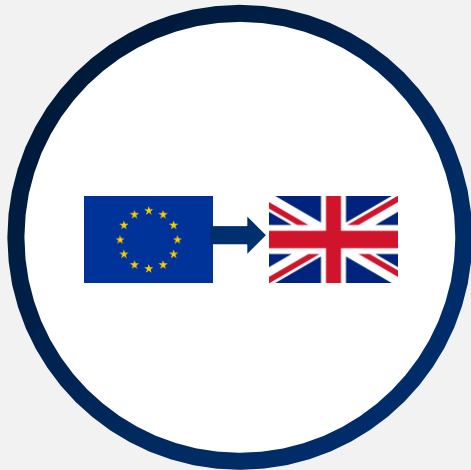


UK businesses can continue to transfer personal data to US organisations participating in the Privacy Shield as long as the US organisation has made necessary additional measures

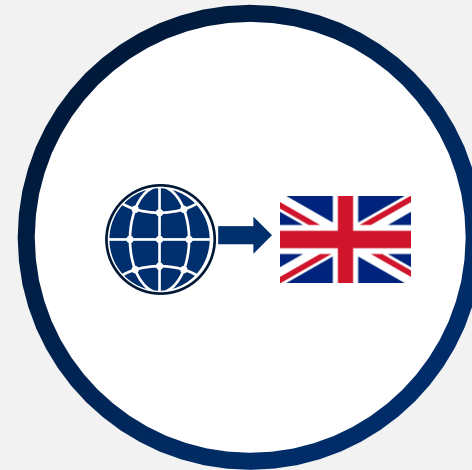
1. SCC - Standard Contractual Clauses; BCR - Binding Corporate Rules

Sources: Data protection if there's no Brexit deal - Available [here](#); Leaving the EU six steps to take- Available [here](#); Amendments to UK data protection law in the event the UK leaves the EU without a deal on 29 March 2019 - Available [here](#)

After exit: Change to personal data transfers **into UK**



Transfers from EEA:
Alternative mechanisms
will be needed



**Transfers from non-EEA
countries:**
Alternative mechanisms
may be needed depending
on country



Transfers from EEA countries **into the UK**



EEA-based organisations can transfer personal data to the UK in a No Deal if alternative safeguards under GDPR are in place



These alternative safeguards include (although are not limited to)

- Standard contractual clauses (appropriate for majority of transfers between parties)
- Binding corporate rules (within corporate groups)



Businesses should check the ICO website for advice on all available options

1. SCC - Standard Contractual Clauses; BCR - Binding Corporate Rules

Sources: Data protection if there's no Brexit deal - Available [here](#); Leaving the EU six steps to take- Available [here](#); Amendments to UK data protection law in the event the UK leaves the EU without a deal on 29 March 2019 - Available [here](#)



Transfer from **rest of world** into the UK



Organisations must continue to comply with 3rd countries' own data protection regulations in order to transfer data to the UK



The UK is currently discussing arrangements with countries who have been issued an adequacy decision by the EU



If countries with a current EU adequacy decision are unable to deem the UK adequate prior to exit, organisations within these countries may need to make use of alternative mechanisms within their own law to continue to transfer personal data

Further Considerations



Providing goods or services (or tracking behaviour) in EEA



You may need to find a representative in EEA



Cross border processing



You may need to find lead supervisory authority in EEA



European Representative



If you are a UK business that provides goods or services, or tracks behaviour of individuals, in the EU/EEA - without an established presence in an EU Member State - you may need to appoint a European Representative



Further information on this has been provided by the ICO



EEA lead authority



If you are a UK business with its headquarters in the UK but with operations in the EU and processing personal data across EU/EEA borders, you may need to deal with a Lead Supervisory Authority in the EU



The ICO has published guidance on this



You may also wish to consult the European Data Protection Board's guidance

Personal data transfers: Summary of 'No Deal' policy

Personal Data transferred out of the UK to EEA Countries



Personal data will continue to flow freely from organisations in the UK to organisations in the EEA

Personal Data transferred into the UK



Appropriate safeguards can be used to transfer personal data from EEA Countries into the UK

Further considerations for operating across Europe



You may need to appoint a representative in the EEA

You may need to find a lead supervisory authority in the EEA

Further advice and guidance on action to take

Source of material in this section

Data Protection Act 2018 - Factsheet Overview 2018 - Available [here](#)

Data protection if there's no Brexit deal - Available [here](#)

Leaving the EU six steps to take- Available [here](#)

Amendments to UK data protection law in the event the UK leaves the EU without a deal on 29 March 2019 - Available [here](#)

Additional information beyond this presentation

There may be other issues not addressed in this material

In some areas, policy content is still being developed

Please visit [gov.uk/euexit](https://www.gov.uk/euexit) for the latest information