

## BREXIT UPDATE

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Our original political update was going to be more general in nature covering the turbulent state of British politics and the UK Prime Minister's "Do or Die" determination to leave the EU on 31 October with or without a deal. Then the news came through of the Government's unexpected decision to prorogue Parliament with effect from 10 September through to 14 October.

The news has sparked cries of "constitutional outrage" and "constitutional vandalism" from fellow politicians. Legal challenges that had been brought in Edinburgh are being brought forward and further challenges have started in London as well. It remains to be seen whether the Courts have the ability to interfere in a process which has been approved by the Queen, but who herself is immune from legal action.

It does look as if we are finally approaching the end game. Discussions are continuing between the EU and the UK over alternatives to the Irish backstop. It is possible that the UK Government may also be seeking other "improvements" to the withdrawal agreement negotiated by Theresa May all those months ago.

The European Council meet on the weekend of 17/18 October at which time they are expected to either approve a revised deal (in which arrangements for dealing with the Irish border will still be a key feature), or to extend the 31 October deadline (the UK Prime Minister will have to be forced by Parliament to seek that extension, he will not do so voluntarily), or to acknowledge that no deal is to be done and to consider the consequences for member states.

It was never expected to be this way. "No Deal" was always the final highly unlikely result. Now it remains a genuinely possible result.

We recognise that it is extremely difficult for clients to plan for the post 31 October period. Those who stockpiled in March/April may not be able to stockpile again. For some, plans may be well advanced; for others, further planning without any certainty may just be unaffordable.

A couple of pressing considerations that clients should review now to safeguard against the impact of a "No Deal" Brexit would be to:

- Encourage EU national employees to enrol on the Government's EU Settlement Scheme to secure their status in the UK and to facilitate their continued right to work. The main closure date for the EU Settlement Scheme for applicants living in the UK (but note only those resident by 31 October 2019) will be 31 December 2020 instead of the deadline of 30 June 2021 which applies in the event of a Brexit deal;

- Review their personal data processing operations and data flows with the EU. In case of a "No Deal" Brexit on 31 October, the UK will be considered by the rest of Europe as a third country not offering an adequate level of data protection. In order to ensure the continuity of day-to-day operations, a contingency plan to address such data transfer on or before 31 October must be engaged.

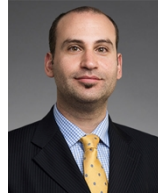
We are here if you want to talk about potential implications arising from the political changes or from the prospect of a "No Deal" Brexit. Our team covers a wide range of practice areas directly impacted by Brexit, including competition and trade, finance, immigration, intellectual property, investment funds, product compliance, and REACH and other regulations.

If you would like to discuss further anything related to Brexit, please do not hesitate to reach out to a member of the K&L Gates team.

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