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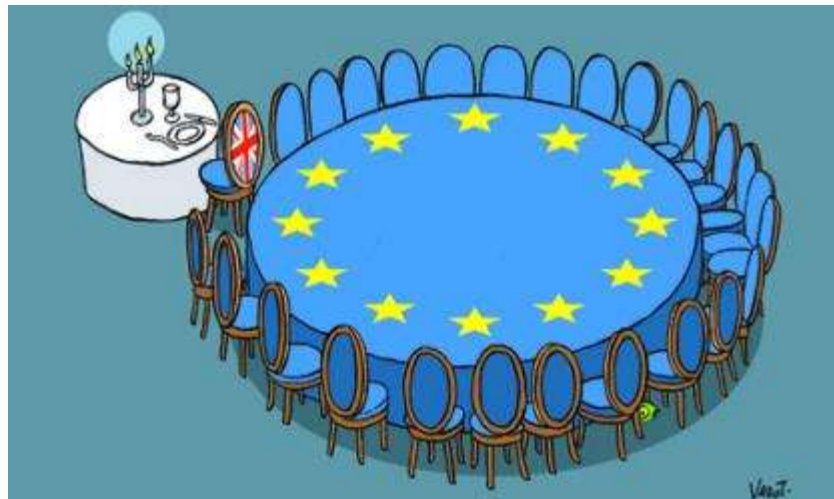
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THE IMPACT OF BREXIT
30th January 2018

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The Background

- Two years of fake news
- Brexit means Brexit
- The facts:
 - June 2016: 52% voted to leave in a non-binding referendum
 - March 2017: Article 50 triggered
 - March 2019: UK leaves the EU if nothing else agreed

Where are we now?

- UK unprepared for Brexit
- Failure of parliamentary democracy
- But the UK is still a full member of the EU
- We would be unlucky to leave in 2019
- Transitional period of at least two years

The Four Freedoms

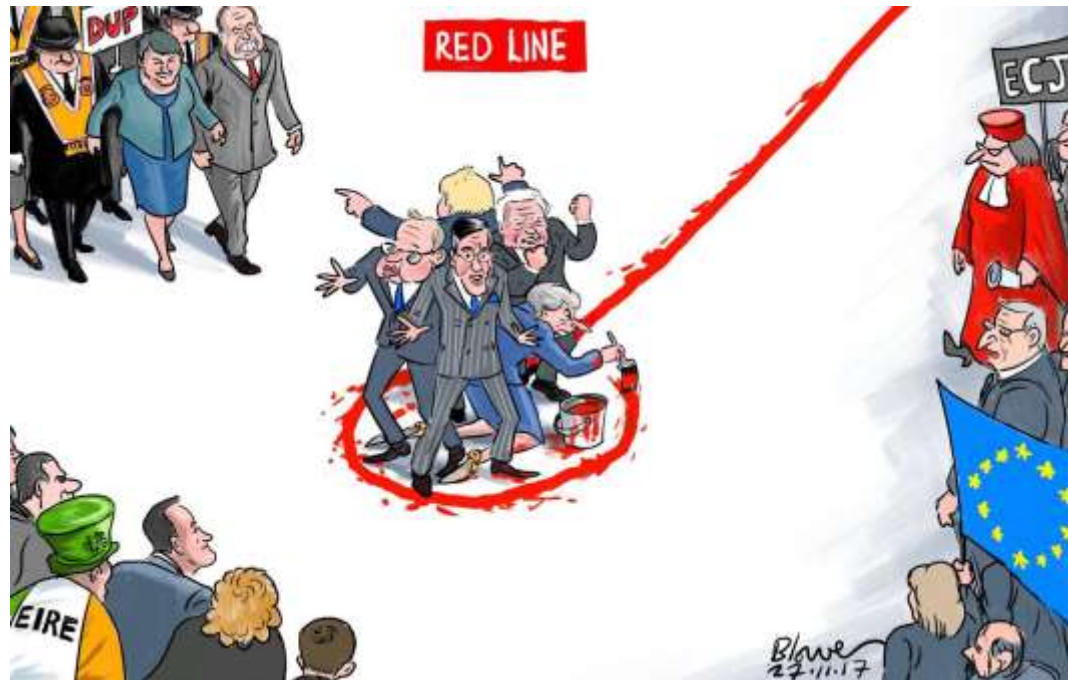
- The four freedoms of the European Union
 - Free movement of goods
 - Freedom to establish and provide services
 - Free movement of people
 - Free movement of capital

Do we benefit at all from the EU?

- Single market – EU is one territory, no internal borders, no regulatory obstacles
- Freedom of Establishment – engage in your profession anywhere in the EU
- Free movement of people – live, work, study and retire anywhere in the EU
- Free movement of capital – no limits on buying currency, shares, financial assets, no governmental approvals required for investment

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The government's red lines

- The UK must withdraw from single market
- The UK must withdraw from customs union
- No free movement of people
- Financial sector should not be affected
- No jurisdiction for European court
- No more payments to the EU post-Brexit

What are the options?

- No deal – hard Brexit
- Second referendum and remain
- A Goldilocks version of Brexit

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*'This Brexit is too hard and
this one is too soft'*

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**DEAR BRITISH
FRIENDS: THERE ARE
CHEAPER WAYS TO
LEAVE THE EU.**



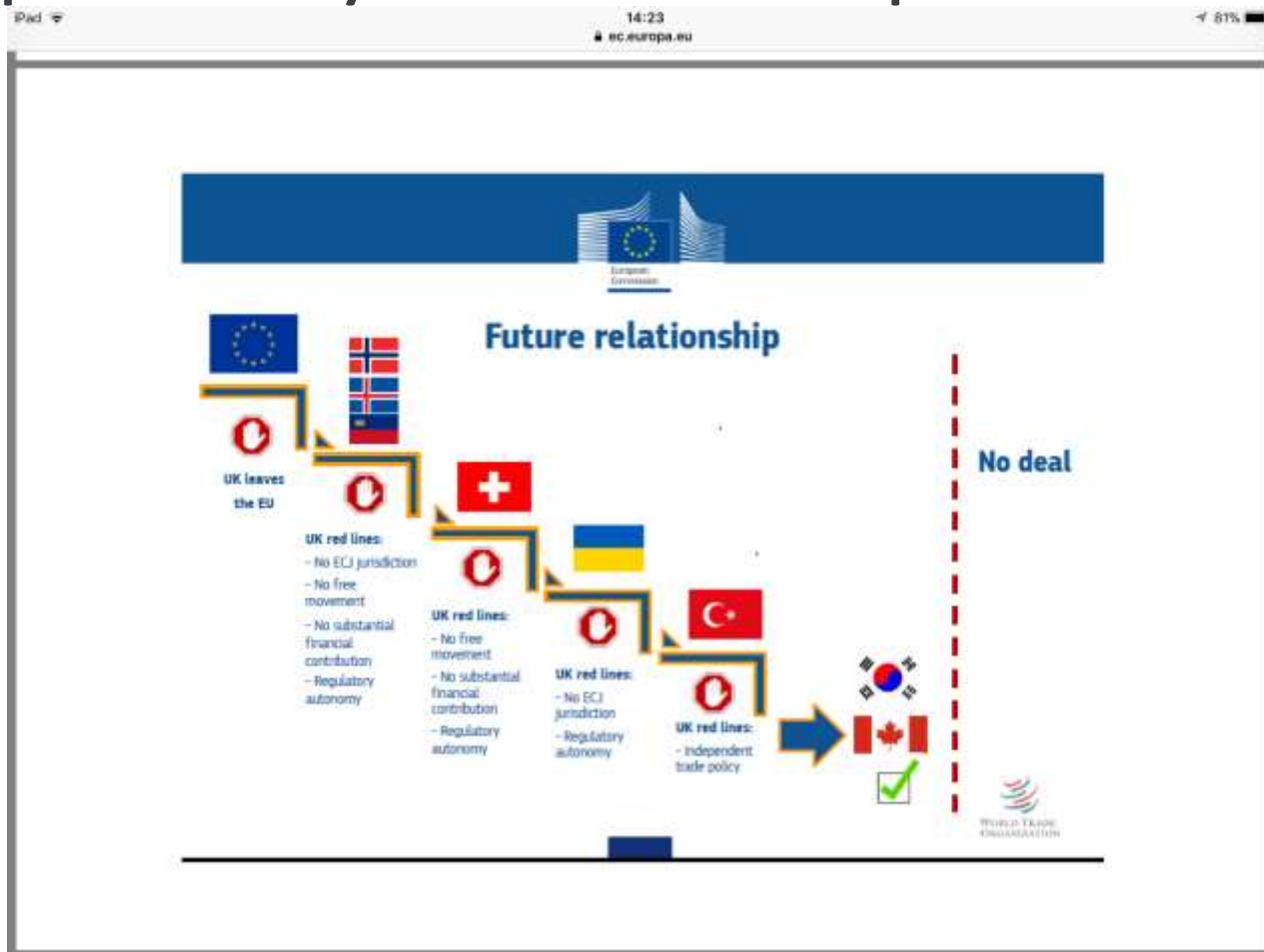
What do the Europeans think?

- Barnier: you are welcome to come back but you can't cherry-pick
- Macron: "You can't have full access to the single market if you don't tick the box"
- The EU27 want to strengthen, not dismantle, the single market

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A helpful analysis from Europe



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Brexiteer or Remoaner?



Preparations for Brexit

- What does the UK government want from Brexit?
- Little contingency planning
- Where are the UK's impact statements?
- The EU's Notices to Stakeholders
- Why is the UK surprised that the EU is planning for a hard Brexit?

Will the withdrawal of freedom of movement affect your business?

- Current EU residents will probably be able to stay
- Dual nationality is an advantage
- Will there be a pragmatic compromise?

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Will Brexit affect the cost of doing business in the UK?

- Tariffs and customs duties on imported goods and services
- Weaker Pound
- Changes in tax regime, e.g. VAT
- Big changes in the law

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Increased bureaucracy post Brexit?

- New parallel systems of regulation
- How serious is the government in reducing red tape?
- The UK will not be in control – the EU27 will impose their own restrictions

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The effect on financial services

- Passporting rights of financial institutions within EU
- Effect on the City?
- The European Banking Authority moves to Paris
- But the City is well-established and resilient

Can companies continue to operate in the UK/EU?

- No one-size-fits-all solution
- Review contracts and practical relationships
- Review regulatory requirements
- Monitor the changes
- Take precautionary action
- Be patient

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Should I be afraid?

- The only thing we have to fear is fear itself (Roosevelt)
- Plan ahead
- Nil desperandum
- The political process will run its course and result in a New Deal for Europe

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Thank you for listening

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