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# Brexit File... getting harder!!

No.5

Last Updated:

16<sup>th</sup> July, 2018

See previous files:

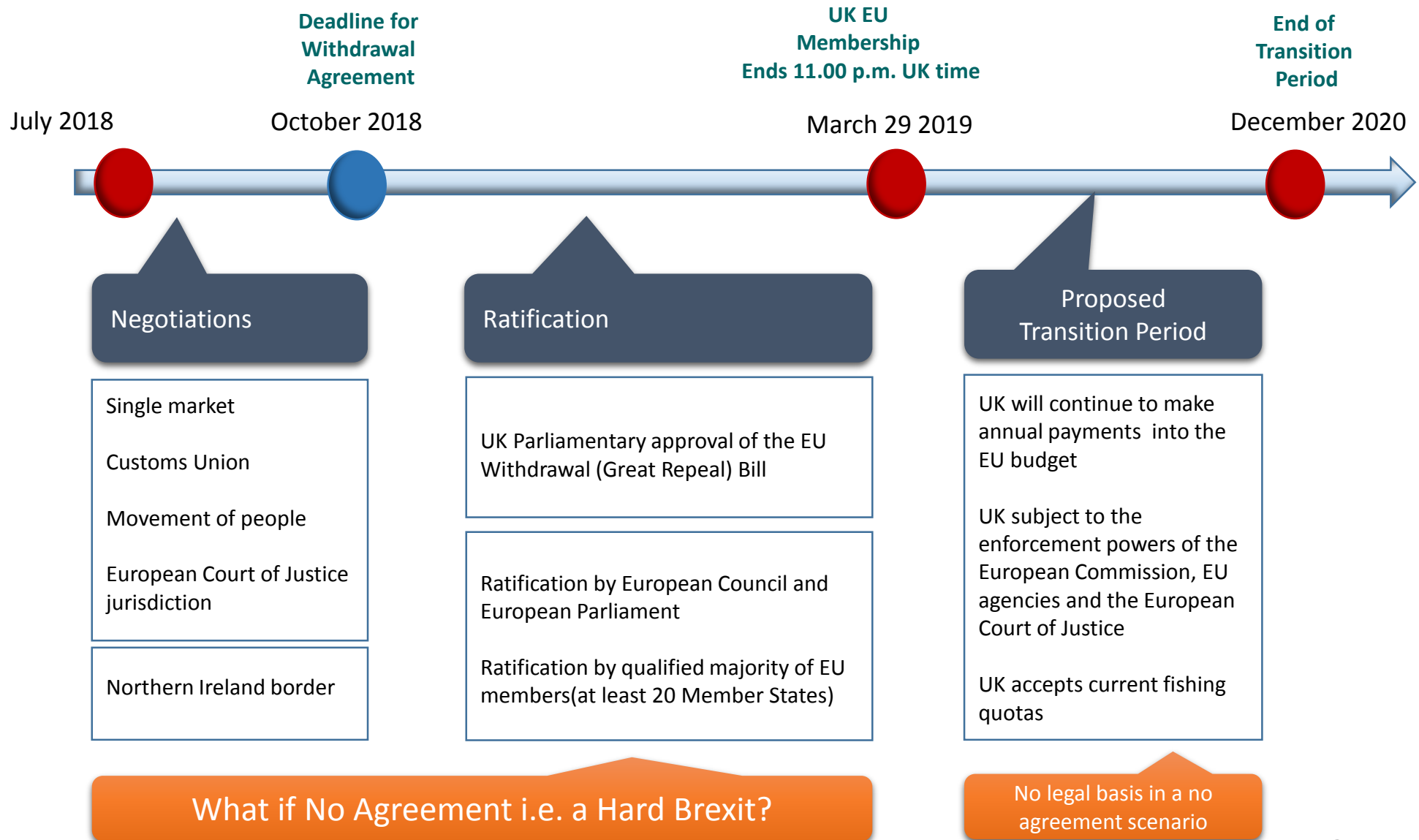
March 2018

January 2018

June 2017

September 2016

# The Timeline.....Getting closer



# Recent Headlines

**15<sup>th</sup> July 2018**



**Mail on Sunday:**  
Theresa May says she will not compromise on her plan for future trade links with the EU

**Observer:**  
Lord Mandelson says that her plan would deliver the polar opposite of taking back control

Ex-minister Justine Greening calls for a second referendum

**13<sup>th</sup> July 2018**



An internal EU document has warned all member states, companies and stakeholders to step up preparation for a no-deal Brexit scenario

**5<sup>th</sup> July 2018**



**Reuters:**  
Britain's biggest carmaker Jaguar Land Rover has said that Britain leaving the EU without a trade deal would cost it 1.2 billion pounds (\$1.59 billion) a year and curtail its future UK operations.



**The Guardian**

“Automotive companies would face a 10 per cent tariff on British-manufactured cars entering the European Union. Nissan produces 500,000 cars annually in the UK, 55 per cent of which are exported to the EU. Toyota’s British factories manufacture 180,000 cars yearly, 75 per cent of which are exported to the EU”

## Hard Brexit:

The UK departing the European Union on 29th March 2019 without a Free Trade Agreement

Trade	Movement of People	EU	Security
<p><b>Goods</b></p> <p>WTO MFN (Most Favoured Nation) tariff schedule applies [0%-50%]</p> <p>Customs controls - customs tariffs - check origin of goods</p> <p>Northern Ireland border</p>	<p><b>Labour</b></p> <p>Employment restrictions apply mutually between UK and European nations in each other jurisdictions</p> <p>No employment rights for new EU entrants/applicants</p>	<p><b>Budget</b></p> <p>Divorce bill agreed in principal</p> <p>No legal basis if no agreement</p> <p>Shortfall implications for EU budget 2014-2020</p>	<p><b>European Court of Justice</b></p> <p>EU area of freedom, security and justice (AFSJ) ceases</p> <p>Legal instrument cease to exist</p> <p>International legal instruments apply</p>
<p><b>Services</b></p> <p>Airlines and Financial Services outside WTO</p> <p>Must stop trading with the EU overnight</p> <p>Could agree regulatory equivalence to allow services continue – this is discretionary</p>	<p><b>Movement</b></p> <p>Boarder passport controls</p> <p>Potential visa requirements</p>	<p><b>Institutions</b></p> <p><b>UK participation in:</b> European Council European Parliament European Commission European Court of Justice (ECJ)</p>	<p><b>Policing</b></p> <p>European Arrest Warrant ceases</p> <p>UK not automatically part of EURIPOL</p>

# Hard Brexit and Treasury Matters

Effected area	Impact	Considerations
Markets could become more fragmented	Access to liquidity	Funding access and diversity
Banking relationships	Continuity of products and services	Bank passporting and licencing arrangements
	Cost of products and services	Location of cash pool header accounts
Treasury personnel	Resource retention risk	Understanding existing cost base in UK and European countries
		Risk assessment
		Location alternatives, if at all
Business impact	Business re-organization	Treasury in tune and aligned with business implications

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