

Brexit: What you need to know

January 2020 update from BCD Research and Innovation

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Introduction

In March, September, October and November 2019, we published updates to our initial 2018 report on Brexit's potential impact on business travel. With the Conservative Party securing a clear parliamentary majority in the General Election on Dec. 12, 2019, the stage is now set for the U.K. to leave the European Union (EU) on Jan. 31, 2020.

This document provides a round-up of the latest situation, as well as practical recommendations for travel managers facing an unprecedented level of uncertainty.

What does Brexit mean for your service as a BCD Travel client?

As always, BCD Travel is here to help your travelers travel smart and achieve more – especially when current events make for “business unusual.” Our agents stand ready to assist travelers as needed during these uncertain times. We’ve got you covered.

Political situation

Conservatives secured a clear parliamentary majority

The Conservative Party secured an 80-seat majority in December 2019's General Election, giving the government the mandate to push forward with its Brexit plans.

U.K. prime minister Boris Johnson intends for the U.K. to leave the EU at 23:00 GMT on Jan. 31, 2020. The U.K. will cease to be an EU member, but it will continue to follow its rules and contribute to its budget during an 11-month transition period, due to end on Dec. 31, 2020.

Parliament must still pass the Withdrawal Agreement Bill (WAB), before the U.K. can leave the EU.

Parliament is discussing the Withdrawal Agreement Bill

In October 2019, the EU and U.K. reached a revised withdrawal deal, allowing the U.K to exit in an orderly manner. Most of the terms were the same as those agreed by Theresa May last year: Key features of the latest deal include:

- The U.K. will abide by EU rules until the end of 2020 (the transition period).
- The U.K. will pay a divorce bill, estimated to be £33 billion.
- The rights of EU citizens living in the U.K., and U.K. citizens living in the EU, would be guaranteed.

- Northern Ireland will be aligned to the EU single market, while also remaining a part of the U.K. customs territory. Northern Ireland will also remain an entry point into the EU's customs zone.

Members of Parliament (MPs) have now started a three-day review of the Withdrawal Agreement Bill (WAB), which gives legal effect to the transition period, payment of the divorce bill and the confirmation of the rights of EU citizens living in the U.K. after Brexit. Once the bill has been passed – which seems highly likely given the size of the Government's majority – it must then be approved by the House of Lords. The U.K. could still leave the EU with no deal if the withdrawal agreement is not approved by Jan. 31, 2020.¹

Transition period will start in February

On Feb. 1, 2020, an 11-month transition period will begin, during which time the U.K. and EU will negotiate their future relationship. While a free trade deal tops the list, negotiations will need to cover a wide range of issues, including some relating to travel, such as air services and security.² The U.K. will also need to introduce systems to handle immigration once freedom of movement ends.

During the transition period, nothing should change: The trading relationship will remain the same and the U.K. will continue to follow the EU's rules. Disruption should be minimal. But this could all change if deals are not agreed by the end of 2020, or if the right systems are not in place in time. The WAB rules out extending the transition period beyond the end of 2020, even if a free trade deal with the EU has not been agreed. Any part of the relationship without an agreement will proceed on no-deal terms from the beginning of 2021.

Travel risks remain largely unchanged

We have previously outlined a number of areas where business travel could be affected by the U.K.'s exit from the EU. As it is still possible for the U.K. to find itself in a "hard-Brexit" situation at the start of 2021, these exposures will remain until new arrangements are agreed. Key points include:

- Air services between the U.K. and EU will continue and be unaffected, at least until Oct. 24, 2020.³
- Travel to and from the U.K. will be subject to delays and disruption, particularly at the U.K./EU border. In the event of a "hard Brexit," border control at airports and Eurostar stations is likely to be the area most immediately affected, with subsequent impacts for business travelers.

***Travel managers should:** Advise all travelers to allow plenty of time to transit through all regulatory processes. This advice applies to travelers from all countries. BCD's mobile app, TripSource®, gives travelers an easy way to stay informed about supplier (e.g., air, rail) delays.*

- U.K. citizens must renew their passport, if on the day of travel, it has less than six months left or is more than nine years and six months old. Post-Brexit, passport processing times could be significantly longer than they currently are.

***Travel managers should:** Make sure all travelers are aware of these new restrictions and encourage them to allow plenty of time for passport renewal.*

- U.K. citizens may need an International Driving Permit (IDP) to drive within the EU. If a traveler intends to take their own company vehicle, a "green card" (from the insurers) and a GB sticker will be mandatory.

***Travel managers should:** Ensure all travelers are aware of additional requirements and take immediate action should there be a need.*

- Mobile roaming data may end. After Brexit, the guarantee of free mobile phone roaming throughout

¹ [UK Government](#)

² [BBC](#), Dec. 20, 2019

³ [Buying Business Travel](#), Sep. 5, 2019

the EU, Iceland, Liechtenstein and Norway will formally end; the decision on how to handle data charges post-Brexit will be at the discretion of individual operators.

Travel managers should: Check the company telephone contractual usage policy and ask all travelers to check their own telephone contract policy to avoid financial surprises.

- Travel insurance costs may increase if the European Health Insurance Card (EHIC) is discontinued or amended in some material way.

Travel managers should: Check your company travel insurance policy and get all travelers to check their own insurance cover in relation to any withdrawal of the EHIC scheme.

We recommend monitoring the [U.K. Government website](#) for the latest details and advice.

Do you have questions or comments regarding this report? Please email mike.eggleton@bcdtravel.co.uk to share your thoughts.