



BPIF Summary of Technical Notice published by the Department for Business, Energy and Industrial Strategy

Structuring your business if there's no Brexit deal

This summary looks at the implications for businesses which are legal entities operating across the UK-EU border, or who have taken the form of a European specific entity, if there is no Brexit deal when the UK leaves the EU.

Current situation

The UK currently follows the EU rules and regulations that fall under the area of company law, which set out how companies and other legal entities operate within the Single Market, how they register and how they operate across country borders in the EU.

After March 2019 if there's 'no deal'

The government states that it will ensure that the UK continues to have a functioning regulatory framework for companies and that, as far as possible, the same laws and rules that are currently in place continue to apply.

Impacts would include:

For companies incorporated in countries outside of the EU, operating by way of branches within the UK, the regime applying to them will remain much the same. Such companies are currently 'third country businesses' in relation to the EU, and that will remain the case.

However, there will be changes to the cross-border regimes for UK companies operating in the EU, because the UK will no longer be an EU member state. These companies will become third country businesses in relation to the EU.

UK businesses that own or run business operations in EU member states will likely face changes to the law under which they operate, depending on the sector and EU member state. For example, this could involve meeting additional requirements in order to acquire real estate and/or requiring additional approvals to operate.

Restrictions may be more burdensome for branches or representative offices, as opposed to subsidiaries which have their own legal identity and are incorporated in the EU member state concerned.

People

There will be no change in who can be an owner, senior manager or director of a UK company, as the UK doesn't apply any nationality restrictions to owners or managers of UK companies.

UK citizens may face restrictions on their ability to own, manage or direct a company registered in the EU, depending on the sector and EU member state in which the company is operating. This could involve meeting additional requirements on the nationality or residency of individuals allowed to act as senior managers or directors and/or limits on the amount of equity that can be held by non-nationals.

Actions businesses can take now to prepare include:

- UK businesses operating in the EU may wish to seek professional advice or contact the government of the country in which they operate for more information.
- UK companies and limited liability partnerships that have their central administration or principal place of business in an EU member state may wish to consider whether they need to restructure to satisfy the requirements for incorporation in that EU member state.
- Any UK companies that are undertaking a cross-border merger will need to ensure that they can complete the merger before exit and may want to seek legal advice on their individual case.
- UK investors in EU businesses may wish to make themselves aware of any restrictions that might be placed on them within the EU member state in which they are operating.

More information

[Full Technical Notice](#)

[Companies House](#) for information on companies and other corporate entities, including how to set up company, filing requirements and publication requirements

[Overseas Companies in the UK Registration and Disclosure Obligations](#) for information on the registration and disclosure requirements for overseas companies in the UK

The Technical Notice on [Accounting and audit](#)

The Technical Notice on [Providing services including those of a qualified professional](#)