



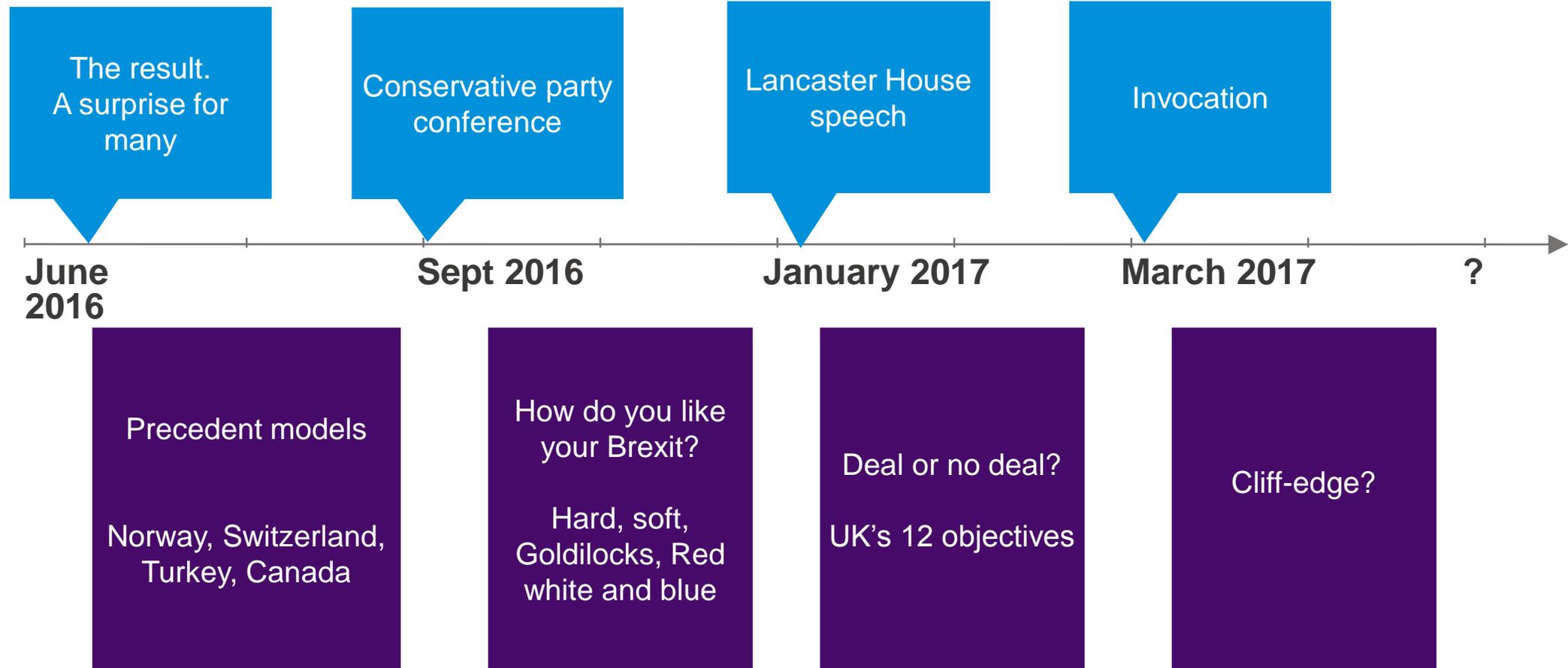
Brexit

Christopher Stott

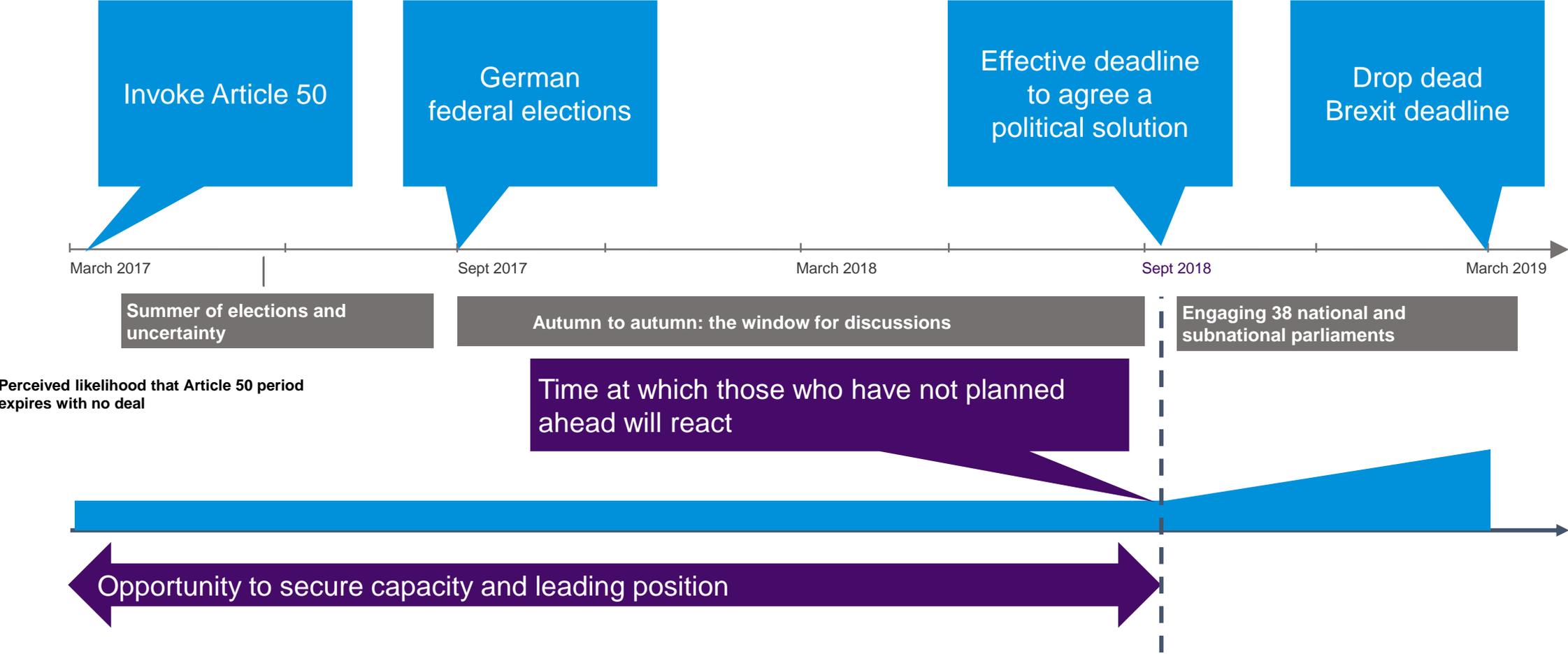
Partner, Head of Food & Drink, KPMG LLP (U.K.)

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THE **Alltech** IDEAS CONFERENCE

The Brexit Lexicon has changed



The Brexit Timeline

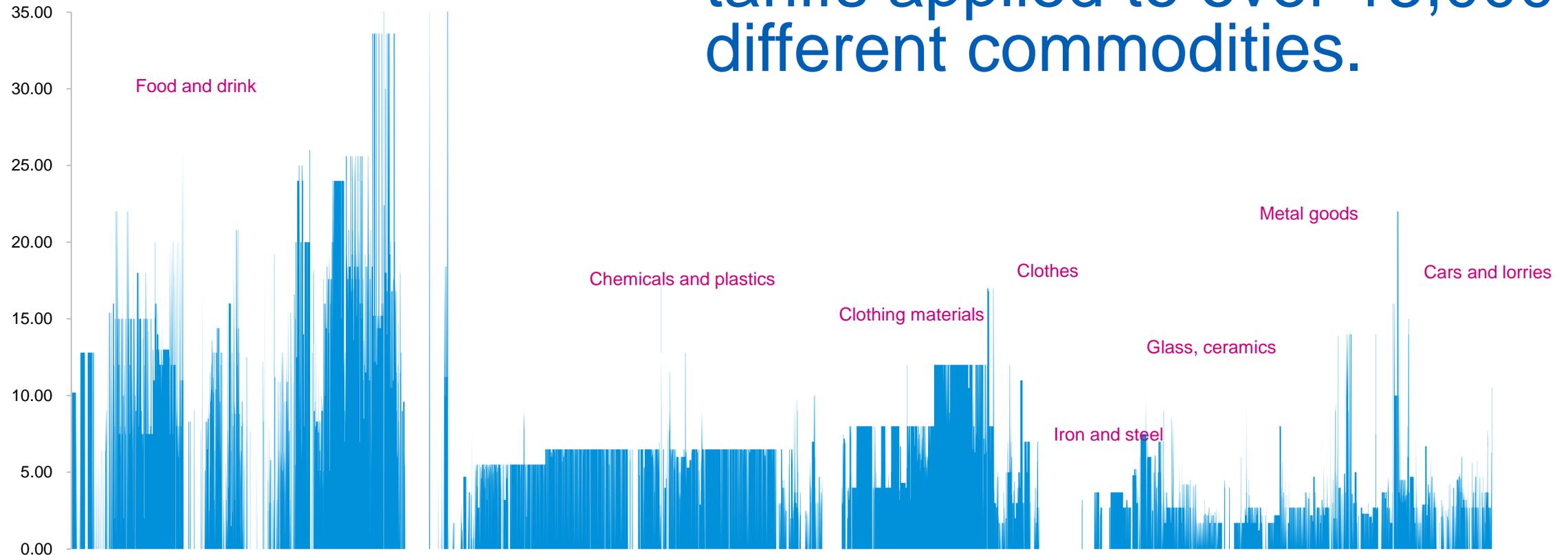


Key Themes for Food & Agri



The common external tariff is an array of 135 different tariffs applied to over 15,000 different commodities.

Common External Tariff: import duty rates (per cent)



NB there are 11,158 tariffs on this chart, each represented by a (very thin) vertical line.

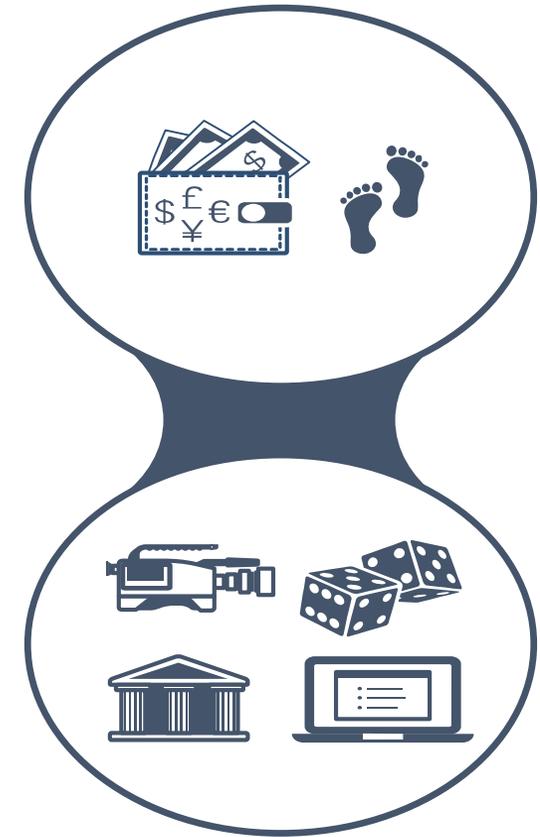
How Brexit Affects UK Businesses



Rooted



Interconnected



Mobile

Article 50 is triggered

24 MONTHS TO GO

- Establish your Brexit committee
- Identify your opportunities and weaknesses
- Create your Brexit strategy
- Pause! Check whether your business model still makes sense
- Plan your Brexit communications



DEC 2017 15 MONTHS TO GO

DECISION DEADLINE

- Do you need more warehousing?
- Should your manufacturing footprint change?
- What impact will Brexit have on VAT and customs costs?
- How will changing regulations affect you?
- Is your data handling GDPR compliant?
- Have you asked your suppliers for their people plan?
- Will your customer and brand propositions work post-Brexit?



JUNE 2018 9 MONTHS TO GO

- | DECISION DEADLINE | LAST CHANCE TO |
|--|---|
| Assessed inventory impacts? Is the finance in place? | Update global mobility for new social security rules and make strategic hires |
| Is your corporate structure right? Do you need more financing? | Review your supply chain plans |
| | Adapt to requirements of new market regulations |
| | Restructure data systems |
| | Implement new brand/customer propositions |
| | Update your contracts |



DEC 2018 3 MONTHS TO GO

- LAST CHANCE TO**
- Restructure holding company, establish subsidiaries and put financing in place

SEPT 2017 18 MONTHS TO GO

- | DECISION DEADLINE | LAST CHANCE TO |
|---|-------------------------------|
| Will you need an EU subsidiary or new licenses? | Establish EU subsidiary |
| Are you engaging with your people? | Apply for regulatory licenses |
| Should you support visa applications? | |
| Do you need PR or lobbying support? | |



MAR 2018 12 MONTHS TO GO

- | DECISION DEADLINE | LAST CHANCE TO |
|---|---|
| Will your customs & VAT systems work? | Influence policy makers |
| Can you take advantage of the Merger Directive? | Commission new warehouses |
| Do you need to hire for key roles? | Begin transferring manufacturing |
| Do you need to change your contracts? | Apply to be an Authorised Economic Operator |



SEPT 2018 6 MONTHS TO GO

- | DECISION DEADLINE | LAST CHANCE TO |
|-----------------------------------|---|
| Do you want to move up to the EU? | Implement customs and VAT systems |
| | Implement create trade merger |
| | Apply for new licenses and make your IP |
| | Increase inventory |
| | Implement new logistics plans |

MAR 2019 DEADLINE



Brexit Navigator



- Exit from Customs Union
- Regulatory/Passporting
- Corporate Tax & Structure Issues
- Immigration & People
- Exit from EU R&D Funding Framework
- Brand, Customer & Identity Impact

Q&A

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