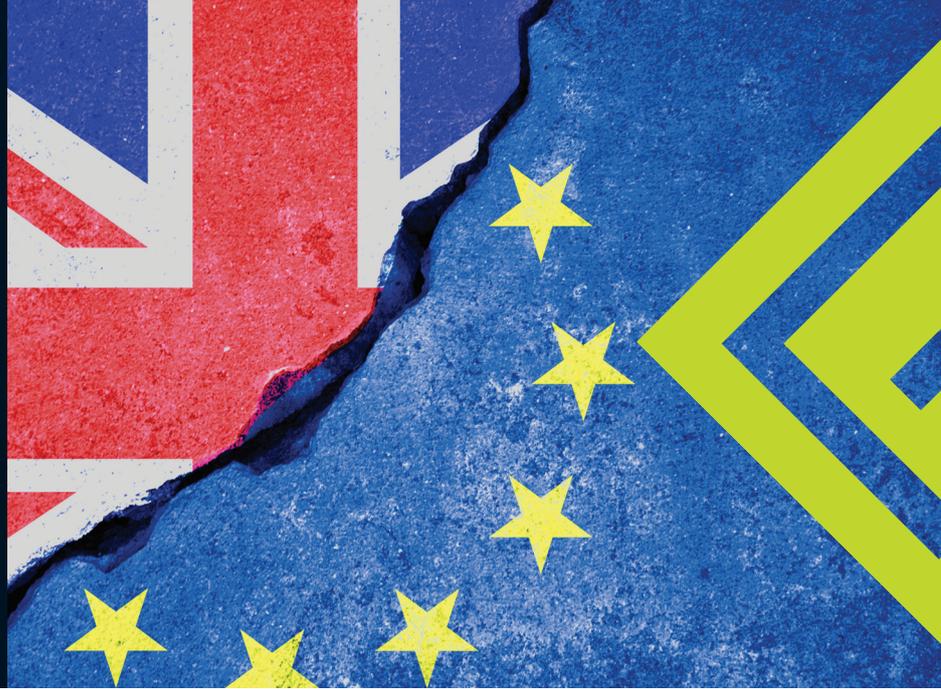




PENNINGTONS
MANCHES

BREXIT AND BUSINESS FACT SHEET



FOLLOWING THE UK'S LANDMARK DECISION TO LEAVE THE EU, THERE HAS BEEN MUCH SPECULATION ON HOW BREXIT WILL AFFECT UK BUSINESSES. WHILE THE CONSEQUENCES ARE STILL UNCLEAR, STEPS CAN BE TAKEN NOW TO MAXIMISE COMMERCIAL OPPORTUNITIES AND GUARD AGAINST POTENTIAL RISKS.

Article 50 of the Lisbon Treaty was triggered by Theresa May on 29 March 2017, meaning that the UK is expected to exit the EU on 29 March 2019, just over 46 years since it first became a member state.

The UK and the EU have until this exit date to negotiate terms unless transitional arrangements are agreed that enable discussions to continue beyond March 2019. It is important to remember that until then, EU law will continue to apply in this country and there will be no immediate change in the way that people move or trade.

During the course of the negotiations, agreement will need to be reached on a number of matters, including the costs that the UK will have to pay the EU on exit; its trading relationship with the EU; immigration and border controls; the proposed regulatory framework; state aid; research and innovation programmes across the EU and UK; and defence and security cooperation. These matters are likely to have wide-reaching consequences for businesses.

Achieving consensus in every area before the exit date is highly improbable and it is therefore essential that transitional arrangements are agreed with the EU to prevent the UK falling into World Trade Organisation rules.

Penningtons Manches' dedicated Brexit team is working closely with clients to prepare for the uncertain times ahead and put appropriate measures in place. Drawing on our multi-disciplinary expertise and strong market insight, our specialists are able to offer practical support to organisations across a range of sectors so that they can be ready for Brexit when it happens.



Penningtons Manches' lawyers are approachable and responsive, and they understand the environment in which we operate.

[Chambers UK](#)

KEY AREAS OF FOCUS FOR BUSINESS

- contractual and trading arrangements in the EU
- data protection and movement of data
- intellectual property rights
- movement of employees
- strategic planning and decision making at board level
- choice of law and jurisdiction for disputes

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BUSINESS INSIGHTS FROM OUR BREXIT TEAM

GEMMA DAVIS

Senior associate, on corporate issues:



Directors should be identifying risks and uncertainties associated with the UK's renegotiation of its EU position. Considerations may include future business performance, increased market volatility and the impact Brexit is likely to have on specific sectors. In transactional deals, we are now seeing clients take account of Brexit issues in the due diligence process. This needs to be more tailored so that acquirers and investors can evaluate how EU regulation affects the target business and can identify strategic planning measures that need to be dealt with post-completion.

JOANNE VENGADESAN

Partner, on data protection and commercial contracts:



The new General Data Protection Regulation (GDPR) will come into force in the UK irrespective of the exit from the EU. Our team

is already helping clients put measures in place to deal with the revised standards under the GDPR. We are considering commercial contracts in light of the current climate, especially where they could be affected by changes in taxes, standards or currency fluctuations. We are also looking at termination rights and other aspects of commercial deals to help manage risk.

MARK BURROWS

Senior associate, on real estate:



The property market remains uneven. Many investors are probably waiting to see how the political negotiations progress as there is no immediate sign of capital flight. In this environment, entrepreneurs are finding well priced opportunities, particularly outside London. We are increasingly guiding overseas investors through English property transactions as they choose this moment to come to the UK market, disregarding inconclusive elections and the short term uncertainties of Brexit, but taking a long term view and attracted by the weakness of sterling.

PAT SAINI

Partner, on movement of employees:



EU nationals residing in the UK and companies which employ them are considering their position following the referendum. With free movement as we know it set to come to an end, businesses will have to deal with new legislation as and when it comes into force. Immigration and employment support will be needed to ease the transition. We are helping employers communicate with employees who are worried about their position in the UK and with recruitment strategies. We are also assisting with permanent residency and nationality applications.

CHRIS SHELLEY

Partner, on intellectual property:



While there is still uncertainty about the IP regime post Brexit, businesses should be examining their portfolios of EU trade marks and registered Community designs and assessing whether new applications should be made for equivalent UK rights to ensure protection post exit. We advise anyone applying for a new EU trade mark or registered Community design to make a separate UK application as well. The future of the unitary patent and unified patent court (part of which is set to be in London) is currently uncertain.

JOHN DOHERTY

Partner, on disputes:



Clearly drafted clauses in contracts that specify the English courts and English law are likely to be enforced by English courts post Brexit, irrespective of changes made to the EU regime. Accordingly, England remains a venue of choice for disputes to be heard. There is, however, uncertainty over enforceability of English judgments against assets located in other EU states after the UK leaves the EU. Businesses should also consider that arbitration is likely to be largely unaffected by Brexit and that a well drafted arbitration clause in a contract could therefore afford greater certainty.

FIND OUT MORE

For further information from our Brexit team, visit us at www.penningtons.co.uk/brexit, where you will find our latest updates and market commentary, or join the Penningtons Manches Brexit Insights LinkedIn group. Alternatively, e-mail us at info@penningtons.co.uk