

# No cliff edge

I have now read through all the submissions about what we need to prepare to have a smooth Brexit with No Deal.

Most of the worries are ones which have been argued over and discussed endlessly. In many cases I dealt with these worries on this blog before the referendum. Most are general in nature.

I will summarise my response to these old issues below:

What will happen about passported products in financial services?

The most common is the UCIT Investment fund. As these are all registered companies in countries that will remain EU members there is no problem. The UK will retain the contracts to help manage them, whilst the funds will continue to be available throughout the EU. The UK will be happy to allow UK nationals to continue to buy and hold these funds. Other passported products resident in the UK will be able to continue under the doctrine of regulatory equivalence.

What happens about the future of the City if there is No Deal?

We will be able to trade as do other non EU members, using the doctrine of equivalence and world trade rules.

Will derivative contracts still work?

They should. The market has plenty of advance warning of our departure on 29 March 2019. Markets adjusted easily and rapidly to the abolition of the DM and the introduction of the Euro in 2000 which was a bigger set of changes. As the markets start to offer contracts that go beyond exit date they will reflect this in the contract small print.

Will there be more red tape to export?

No Deal will entail customs filings for tariff based goods for No Deal. This can be an additional line in an electronic filing. Importers and exporters already need paperwork or electronic files to handle product specs, safety and a wide range of compliance matters, which can remain the same.

How can there be a smooth Irish border?

The UK government has issued a paper on this setting out how. If the EU does not like the UK proposal it needs to make a counter proposal, as its member state the Republic of Ireland is keen on a smooth border continuing, as is the UK.

Will universities suffer?

No. The government has made clear there will be plenty of visas for students

and faculty members coming from the eu as there are today for non EU. E U funding will be replaced by UK money. The UK may negotiate to continue to contribute to and belong to various European schemes.

Will we reassert our territorial limits and set out a UK fishing policy

That is the current plan