

Guidance Note

Edition 7. – November 2020

Brexit – What now for the marine industry?

Executive Summary

Previous editions of this guidance note have highlighted various key scenarios which may have impacted manufacturers of marine engines, components or small craft/large yachts depending on whether an exit-deal could be agreed between the European Union and the United Kingdom.

On **Friday 31st January 2020** at 12a.m. CET the UK became the first Member State to officially withdraw from the EU and the official agreement and political declaration can be downloaded from the following [link](#).

Its important to note that despite the withdraw, the treaties and all EU law, will continue to apply to the United Kingdom until **31st December 2020** while the UK and EU negotiate additional arrangements during the transitional period. A revised clause in the Withdrawal Agreement rules out extending the transition period beyond this date and if no formal trade agreement is reached, the UK will leave the EU without a deal.

Background

A public referendum asking whether the UK should leave or remain in the European Union was held on Thursday 23rd June 2016 with the Leave vote winning by nearly 52% to 48%.

Article 50 of the Treaty on European Union (TEU) was invoked by the UK on the 29th March 2017 which started the Member States withdraw from the EU and at the time meant that they would cease being a Member of the EU on 30th March 2019. This date was subsequently extended a few times.

On the 22nd January 2018 the European Commission released a notice to [stakeholders' paper on the withdrawal of the United Kingdom and EU rules in the field of industrial products](#). Both the Machinery Directive 2006/42/EC and the Recreational Craft and Personal Watercraft Directive 2013/53/EU were listed in an Annex to the paper.

In July 2018 the UK Government released a paper titled '[The future relationship between the United Kingdom and the European Union](#)'.

This was followed by specific information being published on the 13th September 2018 relating to the sale of harmonised products that were subject to EU product specific rules – [link](#) to the website.

On the 1st of February 2019 the European Commission then released a list of [Questions and Answers \(Q&A\)](#) which gave further practical guidance on 'industrial products' using hypothetical examples to illustrate certain scenarios.

In September 2019 last year it was confirmed that the UK's [Recreational Craft Regulations 2017](#) have implemented the RCD (EU Directive 2013/53/EU on recreational craft and personal watercraft).

Further guidance can be found starting on page 37 of the pdf document [UK Product Safety and Metrology](#)

In July 2020 the European Commission published a communication on *Getting ready for changes - Communication on readiness at the end of the transition period between the European Union and the United Kingdom* which highlights some of the negotiation challenges brought about by the COVID-19 pandemic - please see this [link](#) for further details.

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Due to the continued uncertainties which still exist, this guidance will be revised as more details become known and further clarifications are made by both parties.

All members should continue to prepare for the worst-case-scenario which is that no exit deal is reached between the UK and the EU following the end of the transitional period and the UK leaves both the EU customs union and the single market.

The EU Recreational Craft and Personal Watercraft Directive has been fully transposed into UK law as the Recreational Craft Regulations 2017 and the UK has already passed [legislation](#) that transfers all EU legislation into UK statute. This is to ensure that, in the short term, there are no regulatory 'gaps' and it is known as the repeal bill. This will become important in the future when or if the UK makes any changes to the existing regulations. The UK Department for Business, Energy & Industrial Strategy (BEIS) has published helpful new [guidance](#) on the *Recreational Craft Regulations as they apply to craft being supplied in or into Great Britain from 1st January 2021*.

Notified bodies based in the UK will be granted new UK 'approved body' status after the end of the transitional period and listed on a new UKAS database for accredited bodies.

Please see this link: <https://www.ukas.com/search-accredited-organisations> The approved bodies will be able to assess products for the UK market against UK essential requirements.

UK CA

The UK Conformity Assessed (UKCA) marking will be the new UK product marking that will be used for goods which start being placed on the UK market after the end of the transitional period.

ICOMIA and IMEC have been liaising closely with BEIS over the details of the new marking requirements, especially how existing stock may be handled. They have issued further [guidance](#) around *Placing manufactured goods on the market in Great Britain from 1 January 2021* and we will continue to share our concerns over how the different scenarios related to supply chains into the UK and the EU would be addressed as well as the capacity of the new UK Approved Bodies to handle a potentially high-volume of re-issuing of certificates during the course of 2021.

All manufacturers are advised to engage as soon as possible with their current Notified Bodies to fully understand their options regarding arranging conformity assessments for the UK and EU markets.

In terms of Article 46. of the Withdrawal Agreement, there is an allowance for manufacturers to request a transfer of information between different conformity assessment bodies which is intended to facilitate the issuing of new certificates without full re-testing.

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Existing harmonised standards (used to demonstrate conformity with EU essential requirements) will become UK 'designated standards.' Manufacturers in the UK will be able to continue to use standards as a way of demonstrating conformity with UK essential requirements and following the standards will still give rise to a presumption of conformity with the essential requirements (as following harmonised standards does now). The UK will publish a full list of the references of UK designated standards which will be identical to the current EU harmonised standards published in the Official Journal for the purposes of the EU legislation.

In terms of **tariffs and duties** - If the UK leaves the EU after the transitional period without an agreement, **UK exports** to EU member states will automatically defer to WTO trade rules and the UK will be subject to the 'applied rate' levied by the EU on external trading partners. British import duties will also be governed by WTO trade rules and the UK would most likely seek to broadly match the duties levied by the EU but this has yet to be confirmed. An example of the current tariffs applied to third country imports into the UK can be found [here](#) and guidance on existing trade agreements as well as the status of them after the transitional period can be found [here](#).

Members concerned about skippers licensing for private pleasure craft and berthing a UK flagged craft in an EU 27 country (or vice versa) are advised to read the RYA's *Brexit -What happens next?* [here](#). This contains important considerations depending on where a boat is lying at 11h00 UTC on 31 December 2020.

A useful online search facility showing the current EU market's import rules, rates and requirements is located [here](#) and a summary of VAT rules for supplies of 'goods' can be found [here](#).

Two **important digital tools** have recently been launched by the UK Department for International Trade to provide information to businesses exporting goods in and out of the UK market:

- The [Trade with the UK](#) tool provides businesses exporting goods into the UK market with detailed and up-to-date information on topics such as tariffs, taxes and rules
- The [Check How to Export Goods](#) tool provides exporters of goods out of the UK market with information such as duties and customs procedures for over 160 markets around the world

Additional information on how to check the UK tariffs that will apply to goods imported after the UK Global Tariff takes effect on 1 January 2021 can be found [here](#).

If there are any questions around the EU's Marine Equipment Directive - [MED \(2014/90/EU\)](#) applying to equipment placed on board an EU ship then please read the [marine information note](#) (MIN 590) issued by the UK's Maritime & Coastguard Agency (MCA).

Note: MIN 590 Amendment 2 has been replaced by MIN 590 Amendment 3 which indicates that MED approved equipment can continue to be placed on UK ships until **1 January 2023**. ICOMIA is hoping to negotiate a similar extension to the UKCA marking requirements

The first specific [notice](#) from the European Commission regarding the recreational marine industry titled '*Withdrawal of the United Kingdom and EU rules in the field of recreational craft and personal watercraft*' was issued on the 5th April 2019 and related to the assignment of the unique code of the manufacturer (MIC).

Third country manufacturers who have been issued a MIC by the UK authorities will need to re-apply with the National Authorities of one of the EU-27 Member States.

British Marine has released a new MIC application and search facility which can be found at the following [link](#).

Further guidance regarding the definition of '*placing on the market*' before and after the UK leaves the EU, if there's no Brexit deal is available via this [link](#).

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More information

- UK guidance on customs processes etc. if the UK leaves without a deal:
<https://www.gov.uk/guidance/declaring-your-goods-at-customs-if-the-uk-leaves-the-eu-with-no-deal>
- Additional guidance on importing goods into the UK is available here:
<https://www.gov.uk/browse/business/imports>
- Information on the World Trade Organisation agreements:
https://www.wto.org/english/thewto_e/whatis_e/tif_e/fact2_e.htm
- How to trade with other countries if there is no UK trade agreement in place after the transition period: https://www.gov.uk/guidance/trading-under-wto-rules?utm_source=bb740dc5-73b2-4562-a16b-e96983f3acca&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate
- UK Department for International Trade - Notice to exporters: exporting and trading items subject to strategic controls during the transition period
<https://www.gov.uk/government/publications/notice-to-exporters-202003-exporting-and-trading-items-subject-to-strategic-controls-during-the-transition-period/notice-to-exporters-202003-exporting-and-trading-items-subject-to-strategic-controls-during-the-transition-period>
- The UK Government confirms plans to introduce import controls
<https://www.gov.uk/government/news/government-confirms-plans-to-introduce-import-controls>