YOU AND YOUR BUSINESS
THE BDO BUSINESS CHECK LIST – LEAVING NO STONE UNTURNED

With so much uncertainty ahead it is vital that your business stays as flexible and vigilant as possible to meet any challenges but also to take advantage of any opportunities that will be created through these changing times.

Different organisations face different challenges and the threats and opportunities of a Brexit will be unique to each one. Now is not the time to make final decisions but you can start to prepare for what might lie ahead by working through our business checklist of key questions and actions:

BUSINESS STRATEGY
• Set up a Brexit task force within your business. The team should be made up of senior leaders within the business including those responsible for P&L, HR, external and internal communications, legal and risk. Its function is to keep the business informed of developments, identify risks and opportunities and advise on how best to react
• Analyse how different post-Brexit trading models will affect your business
• Build flexibility into your business plan.

PEOPLE
• Your people are your greatest asset. In a communications vacuum employees will fear the worst. Review the potential impact and give what reassurances you can
• Be sensitive to their worries and encourage open and supportive dialogue. Internal communications tools can be hugely helpful to encourage debate and discussion
• Review employee contracts and consider what action may be needed to ensure that talent is protected and retained

TAX
Keep focused on any changes in tax rules that emerge following negotiations and keep in mind the following questions:
• How are you going to manage your VAT registrations and administration costs in the UK post Brexit, if relevant?
• How much more working capital will be needed to finance the VAT cash flow costs of imports and exports post-Brexit?
• As negotiations begin it will be important to keep a close eye on any changes to UK transfer pricing rules?

MERGERS AND ACQUISITIONS
• If your business is considering acquiring a UK-based business or restructuring, it could be prudent to move more quickly before Brexit negotiations are completed, or even ahead of the triggering of Article 50 by the UK
• Business exit plan: can you bring forward a sale before the Brexit negotiations are finalised?

OPERATIONAL CONSIDERATIONS
• Take a look at your supply chain and ask some key questions:
  - How would total costs (including duties) compare from EU suppliers versus potential non-EU suppliers
  - Are sales within the UK large enough to justify either moving manufacturing and operations to a UK site or acquiring a UK business to avoid a customs duty hit on margins?

CONTRACTS
Where businesses have contracts that are in place and active beyond 2018 they should consider carrying out a Brexit review to ensure that they are either flexible enough to survive potential changes (including impact of customs duty, VAT, withholdings, etc).
Where new contracts are being negotiated, businesses should consider whether they should be incorporating break clauses or price adjustment clauses following Brexit.

REGULATION
Does any element of your business within the UK include services within a regulated sector?
If your business is operating within regulated industries, you may need to consider transferring functions in order to continue to benefit from the ‘passporting’ across the single market.

For further information contact the BDO Brexit Taskforce at BrexitTaskforce@bdo.ie or at 01 470 0420