



Implications of 'No Deal' Brexit

CTPA Brexit Factsheet



16 October 2018

The Impact of a 'No deal' Brexit on the Cosmetics Industry

	
Withdrawal Agreement	'No deal' scenario
UK exits on 29 March 2019	UK exits on 29 March 2019
Transition period until 31 December 2020	NO transition period
WTO Tariffs – until the future trading relationship is agreed	WTO Tariffs
UK operators to ensure compliance with EU-related legislation by the end of transition period	UK operators to comply with all EU-related legislation at Day 1 of exit
EU operators to ensure compliance with UK-related legislation by the end of the transition period	EU operators to comply with all UK-related legislation at Day 1 of exit

Over the summer, CTPA continued to meet with different UK Government departments to provide insight to the cosmetic industry priorities and key asks for the future UK landscape and our relationship with the EU post the UK's exit from the EU. The Association has also taken part in informal consultations on several projects. Overall, it is crucial for business to have adequate notice of the trading and regulatory environment and to avoid a 'no deal' scenario with a resultant cliff-edge in March 2019.

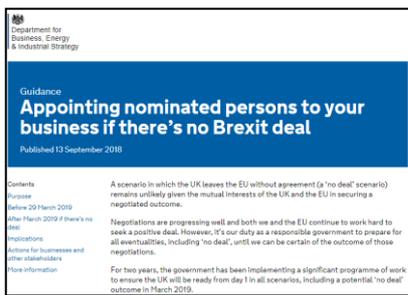
On 4 July, CTPA shared with The Rt. Hon Greg Clark MP from BEIS a letter highlighting the impact of the EU Exit on the UK cosmetics industry and the industry position to remain in the Customs Union and to promote EU/UK Regulatory Alignment for the cosmetics sector.

On 15 August, CTPA received a response directly from Greg Clark confirming that the key asks from the industry are clearly reflected in the White Paper on Brexit '[The United Kingdom's exit from and new partnership with the European Union White Paper](#)'. The letter confirms that the UK Government is looking into regulatory alignment by converting EU law into UK law for the Cosmetic Products Regulation and REACH, whilst preparing for frictionless trade. It is in the mutual interests of the UK and the EU to secure a negotiated outcome.

However, the political landscape is very uncertain and therefore it is crucial for companies to work on contingency planning in case a deal is not agreed.

The UK Government has published a series of technical notices to provide guidance to businesses on how to prepare if the UK leaves the EU with no deal.

The most relevant papers for the cosmetics industry are:



[Appointing nominated persons to your business if there's no Brexit deal](#)

This document specifically mentions the Cosmetics Regulation, and clarifies that:

"For cosmetics, responsible persons based in an EU country will no longer be recognised by the UK after March 2019 (Regulation (EC) N° 1223/2009 is the main EU legislation covering cosmetics and covers the role of the responsible person). Businesses wishing to place cosmetics on the UK

market will need to appoint a UK-based responsible person. This is due to specific legal duties assigned to the responsible person and their importance on ensuring the safety of products placed on the market."

[Regulating chemicals \(REACH\) if there's no Brexit deal](#)

This document states that a UK REACH legislation will replace the EU REACH legislation for the UK market. This will establish a UK regulatory framework and domestic capacity to deliver the functions currently performed by ECHA. The Health & Safety Executive (HSE) will be the competent authority; there will be a specialist capacity to evaluate the impact of chemicals on health and the environment. The new UK legislation will maintain existing standards of protection of human health and the environment and will established a new UK REACH IT system similar to the EU REACH IT to enable registrations for REACH UK. In case of a 'no deal' scenario, UK companies that registered under EU REACH will have to transfer the registrations to an EU-based Only Representative to continue to access the EU market. This will require action before the UK leaves the EU. With regard to the UK REACH, the document establishes a step approach for compliance taking into account different supply chain scenarios.

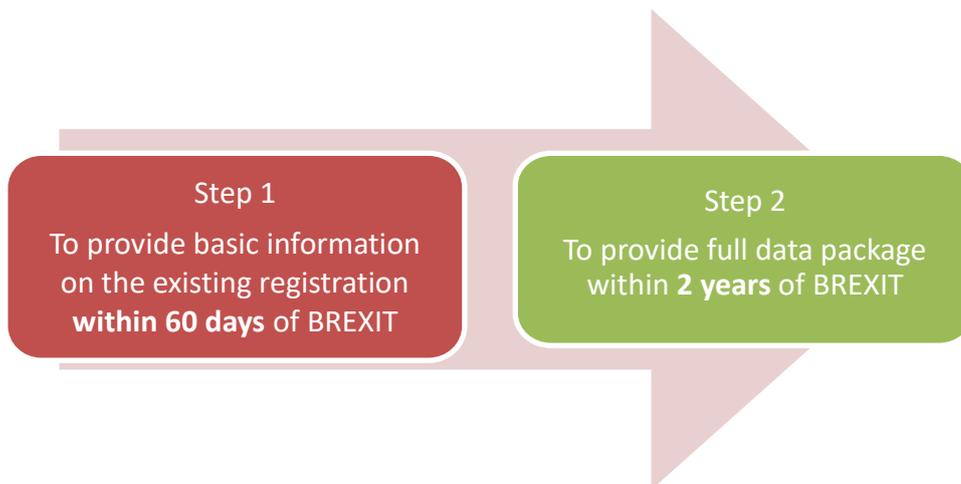


- ✓ **UK companies importing registered chemicals from the EU that are not the registration holder**

It is important to stress that UK downstream users importing substances from the EU will become importers and have registration obligations under UK REACH.



- ✓ **Existing registrations in EU REACH by UK companies**



- ✓ **Companies wishing to market new chemicals in both the UK and EU markets**



Additional relevant papers are:

- [Trading with the EU if there is no Brexit deal](#): informing businesses of the implications for the trade of goods between the UK and EU countries and the actions they may want to consider to mitigate potential negative impacts.
- [Classifying your goods in the UK Trade Tariff if there is no Brexit deal](#): which sets out the way in which businesses will identify their goods correctly, in order to establish what duties and rules apply for the declaration process of exporting to the EU or importing into the UK from the EU.
- [Trading under the mutual recognition principle if there's no Brexit deal](#): which clarifies that non-UK businesses exporting non-harmonised goods to the UK will need to ensure that the goods meet UK national requirements, regardless of whether they were previously lawfully marketed in another EU country or in the UK.
- [Trading goods regulated under the 'New Approach' if there's no Brexit deal](#): relevant for other types of product, e.g. toys.

More information specifically on cosmetics is expected to be published later in 2018.

CTPA Advice to Member Companies

CTPA provides members of the Association with detailed up-to-the minute news as information becomes available on this complex subject and is holding confidential one-to-one meetings in order to help prepare members for the EU Exit and the implications for their individual company.

Non-members may follow key updates on the CTPA's public website: www.ctpa.org.uk/Brexit. Please feel free to forward this factsheet to anyone else in your company focussing on the Brexit implications.

Olivia Santoni
Director, Regulatory & International Services
CTPA

CTPA is the authoritative public voice of a vibrant and responsible UK industry trusted to act responsibly for consumers. It represents cosmetic manufacturers, brand owners, distributors, ingredient suppliers and service providers; from SMEs to multi-nationals. CTPA's primary goal is to promote good working practice to ensure that consumers are provided with the very best products.

To learn about the benefits of CTPA membership visit www.ctpa.org.uk/ www.thefactsabout.co.uk for consumer information