

# Preparing for Brexit: a guidance note

Irrespective of the deal (or lack thereof) that the UK secures with the European Union before March 2019, it is not too early to begin planning for all eventualities. Below is a non-exhaustive selection of issues that may affect the publishing industry post-Brexit. The intention of this list is not to provide comprehensive answers, but rather to prompt discussion and questions that will in turn help you drive forward your business' Brexit preparations and seek the advice you need from colleagues and other external professional advisors.

## 1. People

**The aim:** To develop an understanding of how the movement of people between and around the U.K. and the EU 27 plays a role in enabling your business. This can be achieved by understanding your EU27 population in the U.K. and your U.K. population in the EU27.

### Issues to think about:

- Of your EU27 population in the U.K. and your U.K. population in the EU27. How many people are there? What roles are they performing? What would you do if they left?
- Are there key freelancers or service providers that need to travel to support you?
- What sort of travel do your sales or commissioning / editorial teams undertake?
- Do you have important author tours or visits that could be affected?

## 2. Goods

**The aim:** To develop a full understanding of your supply chains and in particular how these flow through the U.K., the EU27 and those other countries that have FTA or other trade agreements with the EU (Turkey, Korea, Canada, Japan).

### Issues to think about:

- Where are your books made and stored? Where does your paper come from?
- How easy / difficult would it be to change this at short notice?
- What are your lead times? Are there any key supplies or deliveries needed around March 2019? Can these be changed?

## 3. Finance & Corporate

**The aim:** To understand how your pan-EU corporate structure works, where you source capital from and how this flows around your company and what if any changes in tax processes or payments will result;

### Issues to think about:

- Consider your approach to product pricing and anticipate the impact of any further material shift in the value of Sterling, particularly against the Euro or Dollar and how that might impact both costs and revenues.
- Consider any impact on your access to financing and capital due to Brexit disruption

- Consider your upcoming year-end and seek advice on any impact that Brexit might have on your audit process and who can conduct this
- Understand how your business approaches indirect tax (such as VAT) and seek advice as to how departure from the EU regimes may impact this.
- If you are making and receiving payments across the new U.K. / EU27 border, anticipate any disruption that may occur.
- Consider the status and ongoing utility of any EU subsidiaries or Rep Offices and whether any new permissions, reports are required and/or exemptions apply

## 4. Data and Digital

**The aim:** To understand how much of your business is based on and planned around the EU DP framework and Digital Single Market more generally.

### Items for discussion:

- Identify which of your data is EU27 data and which is U.K. data, despite the UK seeking to remain as close a part of the EU Data Protection regime as possible.
- How much of your own e-commerce do you do?
- Are you providing any internal IT services over any new UK/EU border?
- Anticipate any necessary changes to terms and conditions and requirements around security.

## 5. Copyright and Trade Marks

**The aim:** To understand your business' copyright and trade mark assets and protections despite the extent of the UK's ongoing participation in EU IP frameworks being unclear.

### Items for discussion:

- Consider whether you have adequate registered Trade Mark Protection in the U.K. as well as the EU, also consider not just your main brand name but also some of your key product brands, discussing this with authors and their agents where necessary and appropriate.
- Consider conducting a Rights audit to fully understand the basis on which you hold copyright in your publications and which markets you are able to sell your product into.
- Consider the impact of an "international exhaustion" regime on your business
- Think about adopting an approach to rights acquisition that secures either global or at least world English language rights to shield yourself from potential exhaustion risks.

## 6. Communications and Reputation

**The aim:** To understand how you and your business are perceived by non-UK stakeholders (shareholders, customers, authors, suppliers) as a result of Brexit and provide necessary reassurance.

### Items for discussion:

- Consider proactively reaching out to partners and provide an update on the UK marketplace along with reassurance about your Brexit preparations, including how you will mitigate any issues that do arise and your plans for the future.
- Emphasise the strong enduring characteristics of your business, demonstrate that you are aware of how Brexit might impact your business and what you are doing to prepare

## 7. Lobby for the right domestic policy choices for publishing

**The aim:** To ensure your policy needs are well understood by the UK Government and, where necessary, be involved in the many thousands of policy decisions the UK will be making over the next five years.

**Items for discussion:**

- Consider starting lobbying now for the things that you need, whether this be on immigration, IP, Data, Open Access.
- Develop a compelling story about why you and the policies you need matter to the UK and also generate the evidence to back that up.
- Write to your MP and make them aware of your contribution to their constituency. We can help provide letters for this.

## 8. Contracts and Litigation

**The aim:** To prepare yourself for any disruption that Brexit might create for your contractual and other ongoing legal obligations / proceedings

**Items for discussion:**

- Do you have any ongoing litigation and / contracts that are subject to EU law and could be disrupted by the U.K.s exit deal?
- Are there any key contractual commitments that Brexit might prevent you from making? If so, can these be renegotiated now?
- What EU laws are you reliant on for your business and how will you prepare for change?

## 9. Westminster and other non-EU Governments

**The aim:** To understand exposure to the public sector and funding at this time of political uncertainty, including the stake you have in this space.

**Items for discussion:**

Review how and in what ways your business is subject to the decisions made and funding provided by Governments and the public sector both in the U.K., and further afield. Consider what you would do to mitigate any adverse impacts arising from unfavourable political decisions.

## 10. Brussels

**The aim:** To continue engagement with Brussels where necessary, regardless of the outcome of Brexit negotiations.

**Items for discussion:**

- How is your business dependent on and/or impacted by Brussels laws, decisions and funding?
- What risks will there be for you in a world where you are still subject to these laws but the U.K. can no longer directly influence them?
- How will you manage this risk?

