

LET'S TALK BREXIT

Preparing your business's finances as the UK leaves the EU



As October 31st draws nearer, it is more important than ever that business customers across the UK prepare for a period of significant change. These changes may involve considerable uncertainty for your firm, your customers and your business model. For those who haven't already done so, now is the time to consider the implications of a 'no-deal' Brexit for your business.

Access to finance is only one of the issues you may have to work through but it is important to consider any funding requirements early on.

Banks and finance providers have the capacity and appetite to support viable businesses and there is a wide range of advice, guidance and finance options available to you.

The finance industry is here to help you prepare, so:

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1 / Understand your current financial position

Ensure you fully understand your key financial information, including current cash position, lending facilities, debtors and creditors. Assess your current stock holdings and be aware of when any current commitments are due for payment. Do you need to take action to address any of these in light of the potential changes Brexit might bring?



2 / Identify potential future finance requirements

If you identify a need for external finance, now or in the future, familiarise yourself with the full range of financial options available, and engage with lenders as early as possible. Consider undertaking sensitivity analysis to review the impact of any disruption to sales and payments, and consider what reinvestment might be needed to adjust.



3 / Supply chains

Understand your supply chain and the potential impact and changes Brexit may have on your suppliers. Ensure that where there is a knock-on impact on your business' working capital requirements this has been factored in to your financial plans.



4 / Overseas customers

Where you have customers in the EU, have you considered what Brexit might mean for demand, payment terms and contractual arrangements? Engage your key EU customers early. Consider the opportunities to develop other markets and the necessary steps and investment to make that happen.



5 / Cross-border banking

If your firm has cross-border banking relationships, you should engage with your provider as there may be changes required, particularly in the event of a 'no-deal' Brexit.



6 / Payments

Ensure you understand where you have payment arrangements in foreign countries. Movements in exchange rates are likely to have an impact on you and you may wish to mitigate some of this risk. Whilst businesses will continue to be able to make credit transfers and direct debits in euros through the Single Euro Payments Area (SEPA) schemes, your fees and charges may change.



7 / Staffing

Have you considered the financial implications of the potential change in status of employees from the EU 27, for instance registration fees and other related costs?



8 / VAT/customs

Changes to VAT registration and arrangements could lead to increased cost and delays which you should factor in to your financial planning. Have you familiarised yourself with the relevant VAT and customs changes Brexit might bring for your firm? This is particularly relevant if you currently only export to the EU 27 and are not familiar with customs procedures.



9 / Legal implications

Consider the potential consequences across multiple areas including, intellectual property, data, product labelling. There is likely to be a resource need to understand these changes and potential consequences for non-compliance. Take the time to review those areas relevant to your firm, and take necessary action.



10 / Sector support

Ensure you have identified where you can go to get sector specific guidance and support, tailored to your business. Your trade association and information available on Gov.uk will be able to provide more detailed guidance.

Think about how your customers and suppliers will be affected by Brexit, so you are prepared for the potential impact on your business.

Ask your bank or finance provider early on if you think you might need additional finance or a change to your current facilities. Plenty of support is available, and the earlier you engage with providers the better.

Look into alternative finance options. Most applications are successful, but if your first choice doesn't work out, there are many different providers out there.

Know where to go for more information to prepare your business. Whether you're wondering how to manage changes to your supply chain or need to make a payment overseas, start by visiting www.ukfinance.org.uk/letstalkbusiness.



ARE YOU READY FOR BREXIT?

For further support and guidance, visit the Let's Talk Business website. You'll find detailed answers to questions you might have on a range of topics, from trading and making payments overseas to managing your cash flow. The site also includes information from the UK's major lenders and provides links to the resources available from business groups, as well as sector-specific advice.

ukfinance.org.uk/letstalkbusiness

The recently published SME Finance Charter sets out a series of commitments made by banks and lenders to support SMEs through Brexit and beyond. Alongside five key pledges, signatories to the Charter have made their own individual commitments to SMEs.

More information can be found on our **Let's Talk Business** website.



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