The potential impact of Brexit on business travel

Brexit: What lies ahead
Brexit is almost here. Or is it?

Following on from our first report, there is still an air of ambiguity surrounding what Brexit entails and how it will affect businesses moving forward.

Over the last week we have seen negotiations and discussions play out amongst MP’s, however it seems that we still need to be preparing for every eventuality, whilst crucial decisions are being made.

As your TMC we are here to support your business through this transition and offer our expertise and insight to enable you and your wider business to make the best decisions, regardless of the outcome.

The Department for Transport have advised that their ambition through all the negotiations with the EU is to ensure an agreement is reached that will ease the travel across all modes of transport: air, rail, road and sea.

Until the UK leaves the EU, the UK remains a full member and there will be no change to rights and status of UK travellers up to the 29th March.

However, if the UK leaves the EU without a deal, the rules will change. Travellers who are going to the EU from the UK in the next couple of weeks are advised to check with the embassy of the country where they plan to visit to and make sure they are aware of what type of visa, if any, may be needed.

This updated report contains the latest information supplied by the UK government to Clarity at the date printed on the cover. For the latest in-depth information, we advise you visit the government EU Exit page: Gov.UK/EUExit

Whatever the Brexit outcome, there will almost certainly be complexity around travel between the UK and Europe. Clarity will continue to monitor the situation and work with our clients to navigate the road ahead and ensure the best possible outcomes for their travel programmes.

Pat McDonagh, CEO
Clarity, The Business Travel Experts

Disclaimer: The information provided in this document is for your general guidance only and is not and shall not constitute legal advice.
What lies ahead

<table>
<thead>
<tr>
<th>21st – 22nd March 2019</th>
<th>The final summit that the UK is expected to attend as a member of the EU</th>
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<tbody>
<tr>
<td>Before 29th March 2019</td>
<td>Parliament will have to pass the European Union (Withdrawal Agreement) Bill to implement the withdrawal agreement, assuming it was approved by Parliament beforehand</td>
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<tr>
<td>29th March 2300 GMT 2019</td>
<td>The UK leaves the EU. A special summit of the 27 other EU countries soon after the UK’s exit is expected, but has not yet been scheduled</td>
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<tr>
<td>23rd – 26th May 2019</td>
<td>Elections for the European Parliament in 27 EU countries (the UK will no longer be represented in the parliament)</td>
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<tr>
<td>31st December 2020</td>
<td>In the event of a deal being made, this will be the last date of the transition period</td>
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Potential scenarios:

**Hard Brexit**

The UK leaves the EU and becomes a ‘third country’ without a Withdrawal Agreement and framework for a future relationship in place between the UK and the EU.

**Soft Brexit**

In the case of a soft Brexit, the UK will exit the EU but the relationship would remain close. If a deal is reached a transition period will need to be implemented. The UK would continue to be part of the single trade market, but no longer included in the EU decision-making process.

**Another referendum**

There is potential that another referendum could be held. This may be reliant on an extension to Article 50.
The impact on business travel

Border Control:
Without a deal, we can expect that most of the challenges will be centred around travelling in and out of the EU. The EU would make the decision on whether we appear on the ‘visa required’ or ‘visa free’ list, the former is more likely with a hard Brexit and could require all UK citizens to pay an additional charge for a 90-day Schengen visa to travel within the European Union.

Clarity is a member of the GTMC and lobbies extensively on issues such as airport security and border force delays. We already have significant challenges here and we expect it to get worse still. The GTMC advised in their recent paper that the EU lane may be removed for those entering the UK, while UK travellers arriving in EU airports could also find things have changed.

**Our advice is that this may lead to a greater need to allow more time at airports and for connection times when transiting.**

Air Travel:
If no deal is reached, airlines licensed by the UK and EU would automatically lose their right to operate services between them, unless they had been granted advance permission. The airlines would have to take on the responsibility of negotiating their request. We don’t foresee any real reason for either the EU or UK to restrict permissions to carriers but, if it happens, we can expect flight disruption and reduction in flight options from the UK and Europe, impacting traveller choice and potentially elevating costs.

Earlier this month ABTA welcomed government confirmation that it will reciprocate the European Union’s arrangements for air travel in the event of a no-deal Brexit. EU airlines will be able to continue to operate flights between the UK and the EU and the European Commission has offered similar assurances for UK carriers.

There may also be an increase in flying-related taxes from EU carriers. This is outside of our control and yours, but it will perhaps affect the choice of carrier or routing. We will aim to find cost effective alternatives and can work with you to re-write travel policy, where necessary.

Regulations and procedures that are in place regarding safety and security would remain, as these are retained by domestic law.
Clarity TwentyFour, our out of hours service, ensures there is always an expert on hand no matter the hour or where you are. Manned by our own experienced staff, they work alongside our dedicated travel alerts team, continuously monitoring global crisis, including political events.

Hotels
Potential restrictions on EU citizens wishing to live and work in the UK could have an impact on hotel prices. A shortage of European workers could result in hotels raising prices to cover their increased staff overheads.

In the event of a hard Brexit, reclaiming VAT on hotels within the EU will become more difficult. There has recently been an increase in UK operations moving bases outside of London, leading to an increased demand on hotels throughout the UK, especially in the North which has seen business occupancy reach a record 76% in 2017.

A well-managed and adopted Hotel Programme can help mitigate any general rises in cost. Our strong, established relationships with hotel suppliers allow us to negotiate rates that work for our clients, rather than implementing a one size fits all approach.

Rail
The Department of Transport are working closely with Governments both in the UK and the EU to ensure arrangements are in place for cross-border rail services, such as Eurostar, to continue once the UK leaves the EU.

Passports:
Without a deal, UK passport holders will be considered ‘third country’ nationals and be expected to comply with new rules and regulations in order to travel within the Schengen area countries.

These new rules will apply to passports issued by the UK, Gibraltar, Guernsey, the Isle of Man and Jersey.

According to the Schengen Border Code, third country passports must:

- Have been issued within the last 10 years on the date of arrival in a Schengen country, and
• Have at least 3 months’ validity remaining on the date of intended departure from the last country visited in the Schengen area.

Because third country nationals can remain in the Schengen area for 90 days (approximately 3 months), the actual check carried out could be that the passport has at least 6 months validity remaining on the date of arrival.

The following countries are within the Schengen area:

Austria, Belgium, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, the Netherlands, Norway, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden and Switzerland.

Guidance taken from www.gov.uk

For any country within the EU that is not part of the Schengen area, the entry requirements for these countries may vary.

If you’re a British or Irish citizen, travel between the CTA (Common Travel Area) will not be restricted. The CTA is not reliant on membership of the EU and is based on domestic legislation and bilateral agreements.

Travellers are being advised to check their passports from now and to process any renewals online via the HM Passport Office.

You can use this tool to check your passport validity if you are unsure.

Healthcare

The European Health Insurance Card (EHIC) currently allows any EU citizen to access state medical care when they are travelling in another EU country. It is likely this could cease after March 2019.

Travel Insurance

As we mentioned above, the EHIC is likely to be made redundant after the 29th March and the government has advised that travellers need to be more vigilant when choosing a travel insurance policy.

If you are travelling over the period around Brexit, or taking out a policy shortly after, make sure your policy is sufficient to cover possible disruption.
Driving

In the event of a no-deal Brexit, UK citizens may need to obtain an International Driving Permit (IDP) to drive in EU and EEA countries. An IDP is a document which when carried with your driving licence means you would be able to drive outside of the UK. It is at the discretion of each EU country whether or not they require an IDP to be held by motorists who are visiting. The IDP will cost £5.50 and is available directly through the Post Office.

Drivers of UK registered vehicles will also need to carry a motor insurance Green Card when driving in the EU and EEA. This can be obtained by contacting your car insurance provider and can take a couple of days to come through. Insurers may charge a small fee to cover administration costs and the validity period of your card can vary depending on your insurer.

Mobile roaming

Current EU regulations guarantees surcharge-free roaming, allowing travellers to use their mobile device to make calls, send texts and use mobile data services as they would on their UK tariff. Hard Brexit will mean mobile operators are no longer obliged to stick to the regulations and can once again charge for roaming services.

It’s advisable that should this change occur, travellers should check their terms and conditions as well as their data usage limitations when using their phones abroad.
You’re in the right place with Clarity

Our team of award-winning Account Managers are on hand to discuss any of the issues relating to Brexit with you. As business travel experts with a network of strong global partnerships, we’ll help to keep your business moving.

We’ll help you meet your objectives

Clarity can help to manage your travel programme accordingly, whether it involves EU travel or further afield. Our focus is on matching travel solutions to your objectives and to deliver the best possible value.

In the quest for new markets and business, we may see an upturn in demand for long haul travel in the light of changes to your business strategy. As a founding member and preferred UK, Ireland and Netherlands partner for Radius Travel, the largest travel network in the world, our global capability can help you reach even further.

We are a robust & profitable business

As a forward thinking and innovative TMC, Clarity continuously invest in our people, systems and technology whilst providing the very best in customer service. We pride ourselves on offering robust, flexible and cost-effective solutions.

We anticipate there will be customers who control costs in the face of the current economic uncertainty. Cost control and travel dissuasion as directed by our clients are part of our role and we can respond to changes in demand and provide bespoke solutions. We will continue to ensure we manage the cost base and profitability of our business in the face of this.

We have offices in the UK & European Union

Clarity have offices in the UK and also within the European Union. As a global travel management company, we are equipped to handle Brexit, whatever the outcome.

We constantly focus on developing our staff

The UK government has indicated that an Immigration Bill will also be passed that will not place any new burdens on businesses during the implementation period, should a deal be agreed.
On a macro-economic basis, we may see challenges with the labour market. The possible removal of free movement of labour may impact the talent pool when recruiting new resource. Clarity is one of the biggest recruiters of Modern Apprentices in the UK market and we invest heavily in training new staff so we can grow and develop our own people.

**Our data processing arrangements:**

If we leave the EU with no agreement in place there would be no immediate change in the UK’s own data protection standards. However, Legal Framework governing transfers of personal data from organisations established in the EU to the UK and vice versa would change.

Given the inherent need for a travel management company to transfer personal information to destinations within the EU and beyond, Clarity will comply fully with the GDPR regardless of the Brexit outcome. In terms of general data security, we are newly recertified against ISO 27001, and in November 2018 completed a Stage 1 audit against BS 10012. This standard was updated two years ago to fully align its control objectives with the GDPR, and we aim to become one of the first UK companies to achieve full certification via a Stage 2 audit at the end of Q1 2019.

In direct recognition of Article 28(3) we instituted data processing agreements with both our clients and our direct suppliers in advance of the legislation coming into force last May.

**We are a leading industry voice in the UK & overseas**

With 60 years’ industry experience, Clarity has been and continues to be an active voice within the business travel community.

Our CEO Pat McDonagh is a member of the IATA Global Travel Management Executive Council (GTEC) alongside 14 of the world’s largest national, multinational and most influential TMCs. Pat also sits on the board of the GTMC, a UK leading professional body that works with members and partners to raise awareness of business travel within the broader economy.

Whether we end up with a hard or soft Brexit, there will almost certainly be complexity around travel between the UK and Europe. As we approach the end of March, we hope the picture of post-Brexit Britain becomes clearer, but for now we will continue to monitor the situation and work with all our clients to navigate the road ahead and ensure the best possible outcomes for their travel programmes.
For more information on how we can help you manage or amend your travel programme, contact your dedicated Clarity Account Manager.