

December 2020

# Business travel issues Brexit







### Political situation

Having secured an 80-seat majority in December 2019's General Election, the Conservative Party government of Prime Minister Boris Johnson received the mandate it needed to push forward with its Brexit plans.

With the European Union (Withdrawal Agreement) Act 2020 receiving Royal Assent on January 23, 2020, the U.K. formally exited the European Union (EU) at 23:00 GMT on January 31, 2020. While the U.K. has ceased to be an EU member, it continues to follow its rules and contribute to its budget during an 11-month transition period, due to end on December 31, 2020.

The future relationship between the U.K. and EU largely depends on negotiations centered on a new post-Brexit trade deal, which has yet to be agreed. Until this happens, the future of a number of U.K.-EU issues, including many with a direct impact on travel, may not be fully resolved.

# Infringement proceedings may impact the future relationship

In September 2020, the U.K. government introduced the UK Internal Market Bill, which is designed to prevent trade barriers between the four nations of the U.K. (England, Scotland, Wales and Northern Ireland) after the end of the transition period, i.e. from January 1, 2021. The bill contained provisions allowing ministers to unilaterally amend the implementation of the Northern Ireland protocol if there is no agreement with the EU on key issues. If enacted, these provisions would be in direct breach of the Withdrawal Agreement the U.K. signed with the EU in January 2020.

In response, the EU commenced legal action on October 1, 2020, launching what is known as an infringement procedure. This is a course of legal action taken when the EU considers a member state is breaking, or refusing to implement, EU law. Article 131 of the Withdrawal Agreement allows the EU to treat the U.K. as a member state under such circumstances. Article 12 of the Northern Ireland protocol also allows for an infringement procedure.

#### What happens next?

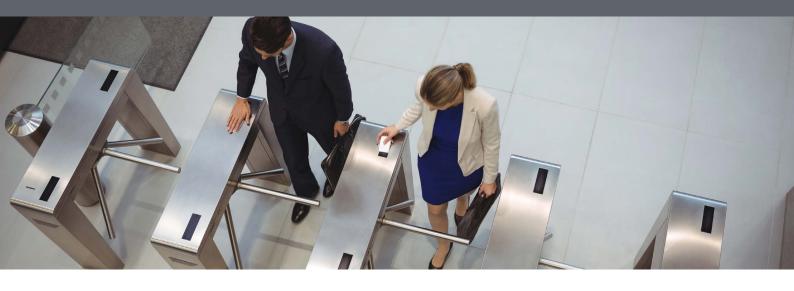
An infringement procedure may take up to 35 months to complete.

#### How this could affect relations

The EU has always made it clear that a trade deal is conditional on the Withdrawal Agreement being applied in full. Any breach of the Withdrawal Agreement may also make compromise more difficult in future. What's more, a long-running legal dispute under the infringement proceedings may damage relations between the EU and U.K. as their governments attempt to resolve any bilateral issues that emerge during 2021, with or without a trade deal.

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### Travel

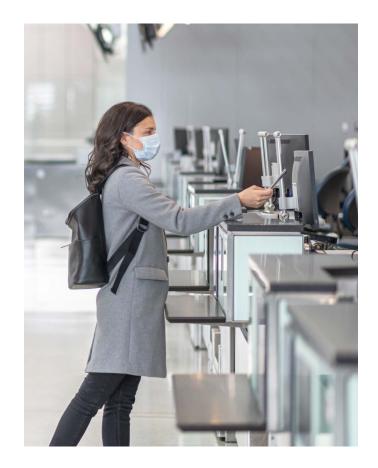
Travel to the EU, Switzerland and European Economic Area (EEA) members Iceland, Liechtenstein and Norway will change from January 1, 2021. Simple advice from U.K. government, which may apply equally to European travelers planning a visit to the U.K. includes:

- Check your passport
- Ensure your travel insurance covers healthcare
- Make sure you have the right driving documents

There are extra actions required by people travelling from the U.K. to the EU/EEA/Switzerland for business.<sup>2</sup> This includes travelling for meetings and conferences. Travelers will need to check the entry requirements for each country on their itinerary. This could include possessing certain documents. If the purpose of the trip is to provide professional services, it's important to check that any qualifications are recognized in the European country. There may also be tax implications for any U.K. traveler working in the EU. EU, EEA and Swiss citizens may face a similar issue when visiting the U.K. This will depend on the duration of the business trip. Business travelers may also need indemnity insurance from their employers.

In some circumstances, business travelers may need a work permit. Each European country has different rules for what activities might be exempt from a work permit. Business travel may be allowed without a permit to one country, but the purpose of the trip may require a work permit in another. And even business trips of just a single day might require prior authorization.3

While the situation will become more complex for all European travelers, EU, EEA and Swiss citizens will only need to check on the changes introduced by a single country, i.e. the U.K. But U.K. travelers will face a more complex challenge, needing to check for any variations potentially across as many as 31 different European countries.







#### Will my passport be valid after Brexit?4

From January 1, 2021, U.K. nationals will lose the right to travel to other EU member states (and Iceland, Liechtenstein, Norway and Switzerland) using only an ID card, and they will instead need to present an official passport at the EU/EEA/ Swiss port of entry (except if traveling to Ireland). A U.K. passport will only be valid for travel if it meets both of the following criteria:<sup>5</sup>

- Is valid for at least another six months from the day of travel to the EU/EEA/Switzerland
- Is less than 10 years old on the day of travel (even if it has 6 months or more left)

If a passport does not meet both criteria, anyone planning to travel after January 1, 2021, should apply for a new passport.<sup>6</sup> Where individuals have renewed their passports before expiry, extra months may have been added to the new passport's expiry date. However, any extra months beyond 10 years will not count towards the six months' validity required by the EU.

The new rules apply for travel to EU member states (excluding Ireland), Schengen Area countries and microstates, such as Andorra, Monaco, San Marino and Vatican City, as well as to Iceland, Liechtenstein, Norway and Switzerland.

If a U.K. passport does not meet both critera, anyone planning to travel after January 1, 2021, should apply for a new passport. Irish citizens will be able to enter and live in the U.K. as they do today. EU, EEA and Swiss citizens will in future need a valid passport to cross the U.K. border, as national ID cards will no longer be accepted. This change does not come into effect until October 1, 2021 for travelers from the EEA or Switzerland.<sup>7</sup> And their national ID cards will remain valid for entry until at least December 31, 2025, for travelers who:

- Have settled or pre-settled status under the EU Settlement Scheme
- Have a frontier worker permit
- Are an S2 Healthcare Visitor
- Are a Swiss Service Provider



<sup>&</sup>lt;sup>4</sup> <u>Schengen Visa Info</u>, October 14, 2020

<sup>&</sup>lt;sup>5</sup>Heathrow Airport, Brexit FAQs

<sup>&</sup>lt;sup>6</sup>Gov.UK, Visit Europe from 1 January 2021

<sup>&</sup>lt;sup>7</sup>Gov.UK, Visiting the UK: information for EU, EEA and Swiss citizens





#### Will visas be required?

As Ireland is part of the Common Travel Area (CTA), U.K. citizens will be able to travel to and work in the country in the same way as before Brexit. For short trips to most other EU/EEA countries and Switzerland (and from these countries to the U.K.), travelers won't need a visa as the EU and U.K. have agreed a reciprocal arrangement allowing entry for short stays using only a passport. But they will only be able to stay for up to 90 days in any 180-day period. Different rules apply for trips from the U.K. to Bulgaria, Croatia, Cyprus and Romania, where visits to other EU countries will not count towards the 90-day allowance.

U.K. travelers may need a visa or permit to stay in Europe for longer periods or for business travel.

### Some business trips may require a business visa or a work visa.

By the end of 2022, U.K. citizens will need to obtain an ETIAS (European Travel Information and Authorization System) before traveling to the EU. ETIAS has been established to let the EU authorities know in advance who will be traveling to its territory. It will be obligatory for passport holders from more than 60 countries that have to date enjoyed visa-free entry to the Schengen Area for short-term stays.

#### Will anything else be required?

As well as a valid passport at border control, U.K. and European travelers may still need to have:

- Proof of a return or onward trip
- Sufficient financial means to support their stay
- Proof of health insurance (covering the whole EU territory for U.K. citizens)

#### How might the immigration process change?

At border control, U.K. travelers will in 2021 need to remember to join third country immigration queues at airports and other points of entry, and not those reserved for citizens of the EU, EEA and Switzerland.8 European travelers arriving in the U.K. may face a similar change. It's possible that switching to a third-country queue may delay travelers at the airport by an extra hour. 9 This is because passports will need to be manually scrutinized and stamped, increasing the processing time from 25 seconds to 40-45 seconds per passenger. 10 Passengers should take note of the potential for such delays, particularly when making connections between international and domestic flights.

From January 2021, U.K. passport holders may no longer be able to use self-service e-gates when entering Europe at airports and Eurostar terminals. This is because EU law reserves these faster lanes exclusively for holders of EU, EEA and Swiss passports; a group that the U.K. exits in 2021.

The U.K., which currently allows citizens of Australia, Canada, Japan, New Zealand, Singapore, South Korea and the U.S. to use biometric passports to pass through automatic gates at immigration, had proposed that a reciprocal arrangement should continue with the EU. But there is a real risk that this offer may now be withdrawn.

When entering the EU/EEA/Switzerland from the U.K. or arriving in the U.K. from these areas, travelers may also need to show a return or onward ticket and demonstrate they have access to enough money for the duration of their trip.

> Immigration delays could result in missed flight connections.

<sup>&</sup>lt;sup>9</sup><u>Schengen Visa Info</u>, Oct. 27, 2020

<sup>&</sup>lt;sup>10</sup>The Guardian, Oct. 23, 2020





### **Flying**

#### Will flights be affected by Brexit?

By mid-October 2020, a legal framework had yet to be agreed for flights to continue to operate between the U.K. and EU from January 1, 2021. 11 However, given that both sides are reported to be in broad agreement that airlines should retain the rights to fly between the U.K. and Europe, it seems likely that some sort of accommodation will be reached to avoid any interruption to air services.

Brexit may also affect the rights of airlines to fly between the U.K. and a number of third countries, as these may be governed by EU "horizontal" agreements, agreed on behalf of EU member states by the European Commission. 12 Such agreements are currently in place or under negotiation with 63 jurisdictions and countries around the world. 13 The U.K. government needs to put in place new bilateral air services agreements with these countries or reach an understanding that the status quo established by the EU agreements can continue.

So far, the U.K.'s Department for Transport has agreed new arrangements with nine countries, including Canada, Montenegro and Switzerland, ensuring that air services can continue to these destinations without any risk of regulatory disruption. The most significant deal is arguably the recent signing of a new air services arrangement with the U.S., helping the U.K. retain its position as a leading aviation hub after Brexit.14 Replacing the current EU agreement, it maintains an "open skies" relationship between the U.K. and U.S.

The recent signing of a new air services arrangement with the U.S. helps the U.K. retain its position as a leading aviation hub after Brexit.



<sup>&</sup>lt;sup>11</sup> Independent, Oct. 15, 2020

<sup>&</sup>lt;sup>12</sup>European Union, Air, External Aviation Policy

<sup>&</sup>lt;sup>13</sup>European Commission, Status of aviation countries by country

<sup>&</sup>lt;sup>14</sup>Gov.UK, Department for Transport, Nov. 17, 2020





### Healthcare

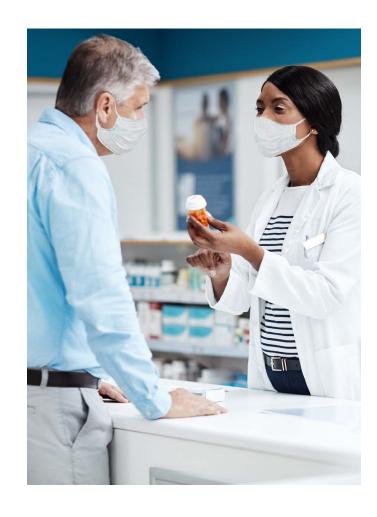
Under normal circumstances, all travelers should ensure they have appropriate travel insurance including sufficient healthcare cover before taking any trip abroad. Healthcare cover becomes more important from January 1, 2021, when the U.K.'s participation in the European Health Insurance Card (EHIC) scheme is likely to have ended.



Sample image of EHIC, front and back

Any traveler holding a U.K.-issued EHIC, who commences a trip to Europe before January 1, 2021, will be able to continue using their card, but only until the end of their trip or if they visit another EU country. Other exceptions include U.K. students studying in the EU, some British State Pensioners living in the EU and their families, and EU nationals living in the U.K. These groups will be covered by a new U.K.-issued EHIC. It will also be available for frontier workers – someone who works in one state and lives in another.

European citizens who are resident in the U.K., but not insured by another EU country, Iceland, Liechtenstein, Norway or Switzerland, are likely to be considered to be health-insured by the U.K. and will be entitled to the new U.K.-issued EHIC. Workers (including family members) who are posted to work by their U.K. employer in another EU or EEA country or Switzerland may also be entitled to the new EHIC.







### Mobile roaming

Since June 2017, U.K. consumers traveling to the EU and EEA countries (including Iceland, Liechtenstein and Norway), and citizens of these countries visiting the U.K., have been freed from the burden of additional charges for using their mobile phones when abroad. Under Roam Like at Home rules, surcharge-free mobile roaming was guaranteed. Fair use limits prevented mobile users exploiting these rules, for example by getting a cheap mobile deal in one country and using it to access mobile services long-term in another.

Should the U.K. and EU fail to agree a new arrangement, the rules on mobile roaming charges will no longer legally apply to U.K. travelers or visitors from the EU and EEA from January 1, 2021. To protect its citizens from unexpected charges when using a mobile in the EU or EEA, the U.K. government has introduced some safeguards:16

- A £45 per month limit on charges for using mobile data abroad, after which a consumer must actively opt in for additional roaming
- Mobile phone operators must inform customers when they have reached 80% and 100% of their data allowance
- Operators must take "reasonable steps" to avoid customers in Northern Ireland accidentally roaming by locking onto a mobile signal originating in the Republic of Ireland

It's unclear if the EU has passed similar regulations to protect its citizens when traveling to the U.K.

While operators might be allowed to restore roaming charges, it doesn't necessarily mean that they will. Vodafone, Three, EE and O2 have all indicated that they currently have no plans to reintroduce roaming charges. To deliver on this commitment, U.K. and European operators will need to agree new bilateral commercial deals allowing inclusive roaming to continue.<sup>17</sup> Such deals could provide a competitive edge, particularly in countries where there is more than one mobile operator. And some of the larger companies, which have a direct presence in both the U.K. and European markets, may include groupwide roaming as part of their service proposition.

> Travelers should contact their mobile company for the latest updates on their roaming arrangements.

Even without a formal agreement between the U.K. and EU governments, it seems to make commercial sense for operators to continue offering roaming for free. But U.K. and European travelers should still contact their mobile service provider for the latest updates on their roaming arrangements and charges.

<sup>&</sup>lt;sup>16</sup>Gov.UK, Department for Digital, Culture, Media & Sport, Oct. 16, 2020 <sup>17</sup>BBC. Oct. 16, 2020





### Driving

From January 1, 2021, U.K. citizens should take their Great Britain or Northern Ireland driving license with them to drive abroad. If driving their own vehicle abroad, they should take their log book (V5C) and a certificate of insurance. And if the vehicle has been hired or leased in the U.K, a VE103 certificate will also be required.<sup>18</sup>

U.K. citizens may also need an International Driving Permit (IDP) to drive within the EU. At present, an IDP is not required to drive in any EU and EEA country, or Switzerland, for stays of up to 12 months. But this may change from January 1, 2021. A separate IDP may be required for each country. If the traveler intends to take their own company vehicle, a "green card" (from the insurance company) and a GB sticker will be mandatory.

Europeans driving their own vehicles to the U.K. should carry an insurance green card or other valid proof of insurance, which must include the name of the insurer, identifying details of the vehicle insured, and the period of insurance cover.

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Do you have questions or comments regarding this report? Please email Mike Eggleton to share your thoughts.



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