MAKE EUROPE WORK!®

COBCOE magazine June 2018

WHY WE NEED TO TALK ABOUT THE GLOBAL FUTURE OF BUSINESS

Robin Walker MP, Minister, Department for Exiting the European Union, answers our questions on Brexit

Analysis and insight from COBCOE Corporate Partners

Council of British Chambers of Commerce in Europe

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Welcome

Dear reader,

This issue comes at a very dynamic time in COBCOE's activity. We are running a very high profile event titled **'We need to talk about... the Global Future of Business'** on the opportunities post Brexit for UK international trade at the International Business Festival in Liverpool.

One of our keynote speakers is Robin Walker MP, Minister, Department for Exiting the European Union, and we are delighted that he has answered key questions about Brexit for this magazine (see next page).

This event in forms part of our series of activities and reports around Brexit, which started with our initial piece of work titled 'Make Europe Work!' Since then, we have focused on the needs of European businesses to enable them to continue to trade with the UK in our research and the report 'Brexit – the Voices of European Business' and follow-up research on the support needs of SMEs during the transition period. The work was delivered by our members bringing together corporates involved in trading with UK, and is unique in evaluating the impact on supply chains that Brexit could cause. All this research has been shared with both sides of the Brexit negotiations and we have held extensive briefings and discussions with both negotiating teams.

Our COBCOE Connects product (see page 14) is our practical offering to businesses of all sizes who are looking to maintain and expand their connections as we believe we need to get on with what we all do best – business. The rapid take up of COBCOE Connectsis already delivering international trade deals all over Europe. With over 10 million companies on the database, it is by far the best way to find a trusted business partner in an international market.

Our member network across Europe, both within and outside the EU, are using this platform to support trade in their host country and enhance services to their members.

Enjoy the publication and join us in our efforts to keep Europe working!

David Thomas MBE,
Executive Chairman, COBCOE

David Thomas is pictured here with (from left) Helen Brand, OBE, CEO, Association of Chartered Certified Accountants (ACCA), and Nicky Morgan MP, Chair of the Treasury Select Committiee, at the first Executive Briefing for COBCOE Corporate Partners, kindly hosted by ACCA – the first in a series of events giving COBCOE Corporate Partners the opportunity to raise essential business issues with influential figures.

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BREXIT QUESTIONS ANSWERED

Robin Walker MP, Minister, Department for Exiting the European Union

Questions compiled by Paul Hardy, Brexit Director, DLA Piper, a COBCOE Strategic Corporate Partner

We hear a lot about what it is like for a business to prepare for Brexit, but what is it like for government to prepare for Brexit? What are the strategic challenges, and which have been the most difficult to implement?

The first thing I'd say is that Brexit is one of the biggest and most complex legislative and diplomatic challenges faced by Government in a generation. We're under no illusions about that.

This has never been done before – no country has ever left the EU – so we're in uncharted territory, and that's a big strategic challenge.

But Brexit also presents an exciting chance for the UK to be able to strike our own free trade deals with growing economies around the world, and to take back control over our own laws and borders.

My department – set up after the referendum with the task of overseeing the negotiations with EU and establishing the UK's new relationship with the EU – has brought together a formidable and talented team from both inside and outside the civil service to make a success of these negotiations. It's a task we're tackling with energy and optimism as we seek to agree the deepest and closest relationship possible with the EU after we leave.

And we've grown our team substantially to meet this challenge, from just 50 people in July 2016 to over 650 today – with another 150 staff working for the UK Permanent Representation to the EU (UKRep) in Brussels.

We play a pivotal role in coordinating the efforts of departments across Whitehall to make sure that our preparations for exiting the EU and our new partnership are well on track. This cross-Government coordination is essential and Whitehall is rising to the challenge.

And we've made significant progress so far – agreeing the terms of a time-limited implementation period, which gives certainty to businesses across Europe by making sure they only need to adapt to one set of changes as the relationship between the EU and UK evolves. We've also locked down entire chapters on the wider Withdrawal Agreement, including on the financial settlement.

And most importantly, we have secured the rights of the more than 4 million citizens living here and across the EU – which was our first priority in the negotiations.

How much control do the EU27 capitals exert over the EU's negotiating position, compared to that of the Commission? Who has the final say?

The first thing to say is that the internal processes between the remaining 27 member states and the Commission are a matter for them.

What we're negotiating with the Commission is an institutional framework which will underpin our relationships with the remaining 27 Member States, who rightly take a close interest in this.

The Council sets the mandate for the Commission to negotiate, and they regularly discuss progress on our negotiations.

That's why we talk to member states about the kind of partnership we are trying to achieve, alongside our negotiations with the Commission.

What diplomatic strategies has the Government put in place to try to influence the EU's negotiating positions? Have they been successful? What has your role been in this?

Our aim in all of this is to reach an agreement with the EU on a future trade and security partnership which is deeper and closer than any that's gone before.

We believe this is in our mutual interests and we are optimistic that this is also recognised by the EU Commission and by the EU27.

As I've said, the negotiations are with the Commission itself, but of course we've been keen to explain to the member states some of the detail which sits below our ambition for a deep and special partnership.

So I and other Ministers from my department, including David Davis as Secretary of State, have, since the department was created, travelled the length and breadth of Europe to meet with our counterparts.

Our message on those trips has been loud and clear – we may be leaving the EU, but we are not leaving Europe. We want to remain close friends, trading partners and allies with our European partners – and the message I've heard from many of my counterparts in Europe is that this is mutually desired.

Talking to member states about their priorities, and explaining our own position, has helped build consensus on key issues such as the implementation period, which has given certainty to people and businesses.

And it's not just governments we've been speaking to. We have met with British citizens, business groups, ports, universities, MEPs and a wide range of stakeholders in order to listen to their concerns and clearly set out our plans for the future partnership.

One example of the close future partnership we're seeking is around science. As we leave the EU we want to continue working with our European partners on major science, research, and technology initiatives.

As the Prime Minister said in her Mansion House Speech, we're committed to establishing a far-reaching science and innovation pact with the EU, so we can continue the vital exchange of ideas and researchers.

This would enable the UK to participate in key programmes alongside our EU partners.

The EU has maintained a surprisingly united front in the negotiations to date. Does the Government expect that to be maintained till March next year, or could EU member states' interests diverge?

Each member state obviously has its own individual interests on what our future relationship with the EU will look like after we leave.

"We don't want or expect a 'no deal' outcome, particularly given the significant progress made in negotiations, and the agreement we've reached on the implementation period"

The UK is the EU's largest export market, so it is only to be expected that member states have their own concerns about maintaining the closest and most frictionless trade relationship possible with the UK, which is in our mutual interests.

But the Commission is negotiating on behalf of the EU27, and we have made tremendous progress in these talks so far. At every point people doubted what could be achieved, and by when, and we've proved the naysayers wrong time and again.

We are continuing to work hard and at pace to have all of this agreed by October.

The mantra of regulators, trade bodies and Brexit advisers has been: "Hope for the best but prepare for the worst." Is that still the right advice for business, or are the chances of there being no deal becoming increasingly insignificant?

Securing the terms of the implementation period was a really important step. In essence, it means that businesses in the UK and the EU will continue to follow the same, stable set of laws and regulations that exist now, until December 2020.

Access to one another's markets will also remain unchanged during that period, giving citizens and businesses time to plan for life after our withdrawal with confidence.

We don't want or expect a 'no deal' outcome, particularly given the significant progress made in negotiations, and the agreement we've reached on the implementation period.

Of course, as a responsible government we're preparing for a range of outcomes, but we're confident of success. The Government continues to talk to businesses across the economy in order to understand the challenges and opportunities that may impact them in the coming months and years.

But progress with the EU is encouraging, and it's very positive that we've begun discussions on the future relationship.

We're focused on getting a good outcome – one that works for the UK and for the EU, and businesses right across Europe.

And as Michel Barnier has said himself, we are working towards a bespoke agreement – a deep and special future partnership, that spans a new economic relationship and a new relationship on security.

What are the Government's main contingency plans for the no-deal scenario? Will planes be grounded and ports choked?

As I said, it's in everyone's interests to secure a good deal for both sides and we do not want or expect a 'no deal' outcome, but we obviously have a duty to plan for the alternative. That is simply common sense.

So we don't expect many of our contingency plans to be needed, but I can assure you that this work is in hand.

Across each area of government, work has been ongoing to ensure we have the necessary legislative and administrative tools in the event of no deal.

The Withdrawal Bill means that our statute book will work and the same rules and regulations will apply from the moment we leave the EU.

There is a wide range of other pieces of Brexit related legislation – from road haulage to sanctions to nuclear safeguards – that will ensure the government has the flexibility to respond to a negotiated agreement, as well as preparing us for the unlikely event of leaving without a deal.

But, as we've said, it's obviously in our mutual interests to agree a bespoke deal that's more ambitious than any that's gone before.

You mentioned aviation, which is of critical importance to both the UK and the EU.

I simply don't countenance any situation in which planes are grounded.

People right across Europe benefit from liberal aviation market access, whether travelling for business or for leisure.

The same applies to ports, where we are seeking to agree a customs arrangement with the EU which maintains trade that is as frictionless as possible.

Can you explain current government thinking on the UK's future relationship with the EU's Customs Union?

We've been clear as a government that when we leave the EU we will also be leaving the Customs Union and the Single Market.

By leaving the Customs Union we'll have the freedom to strike our own trade deals for the first time in 40 years.

However, we recognise how important it is for businesses and people to have time to adjust, and to allow new systems to be put in place, which is why we will replicate the effects of the Customs Union during a time-limited implementation period.

What are the contingency plans for a no-deal scenario? Will planes be grounded and ports choked?

After that, we'll have a new customs arrangement with the EU in place. This will enable us to strike trade deals with the rest of the world, ensure trade with the EU is as frictionless as possible, and avoid a hard border between Northern Ireland and Ireland.

Should British businesses be backing the UK staying in a customs union with the EU, or becoming a separate customs territory?

It's only by leaving the EU's Customs Union that the UK will have the freedom to sign new trade deals with countries around the world – deals that we can tailor to the needs of our economy and our businesses.

This is the biggest economic opportunity of leaving the European Union – and it's one we should grab with both hands as we look to become a truly global Britain. It will enable us to agree deals with some of the world's fastest growing economies and allow us to return to our historic position of being a global champion for free trade.

Of course we'll carry on trading with the EU – so we're seeking a new customs arrangement with the EU.

It's not in any of our interests to create barriers to trade, which is why we will work closely with our EU partners during the negotiations to maximise the opportunities available.

Looking at the nine or so months until Brexit, what are the issues still to be resolved that could derail the negotiations?

As I've said, these are complex negotiations on an unprecedented scale, and obviously there are still some issues outstanding that we are working hard to resolve.

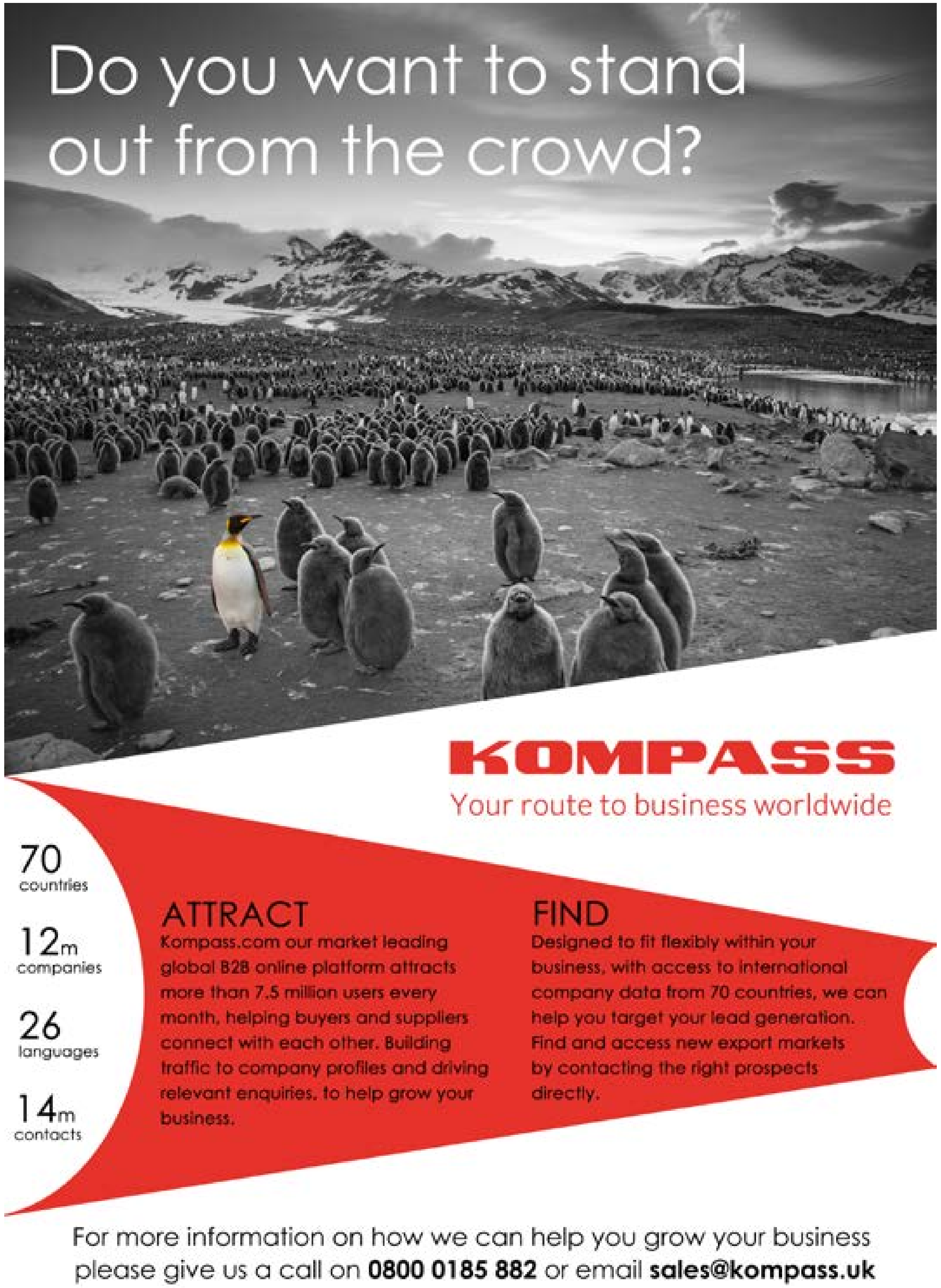
But it's really important to point out the serious progress we've already made. We have reached agreement on a significant proportion of the text of the Withdrawal Agreement.

We are now moving on to discussions about our future relationship and it is right at this point that we should set out our vision for that new partnership, which is exactly what our White Paper is about.

We want all parts of our future partnership – both trade and security – to be agreed by October.

Of course there will be bumps in the road – this is a negotiation after all – but both sides are committed to agreeing the terms of our future relationship by this deadline and we're working hard with the EU to achieve this.

Robin Walker will be expanding on these answers in person at the COBCOE conference **We need to talk about... The Global Future of Business** on 12 June 2018 at the International Business Festival in Liverpool.



WHAT CAN BUSINESSES DO TO PREPARE?

By Paul Hardy, Brexit Director, DLA Piper

Thousands of pages have been written on Brexit and its impact on business, and will no doubt continue to be. So there is virtue in trying to distil the issues down to their core. Writing as someone whose sole focus is advising business on the impact of Brexit, it strikes me there are three essential questions businesses should be asking themselves: How could my business be impacted? What could I do to mitigate the impact? When should I act? Or put more simply: How? What? When?

HOW?

Assessing how a business is impacted by Brexit begs an initial: does the level of uncertainty about the outcome prevent any effective planning? The UK Prime Minister set out the UK's Brexit policy in January 2017 (the Lancaster House speech); the three main objectives were leaving the EU's Single Market, leaving the EU's Customs Union, and agreeing a free trade deal, all of which have profound commercial consequences. Despite the conflicting reports from the negotiations, all three are still in place, although the UK's position on the Customs Union is currently less certain. Brexit contingency planning to date has been based on these three objectives. So the answer is no, it is not too early to plan for Brexit.

There are two template scenarios for businesses to consider in understanding how Brexit will affect them: the impact of no-deal, and the impact of an EU-UK free trade agreement. The first is a possibility, the second a certainty; so it is important to consider both.

Businesses worst-affected by the no-deal scenario are those that rely on mutual recognition or harmonization rights, for example regulatory approval of goods or services in one Member State which is automatically accepted throughout the EU; those with integrated EU supply chains and EU export markets; those with no previous experience of customs procedures; those which rely on the free movement of EU nationals, whether low-or high-skilled; and those which rely heavily on access to EU funds. All of these businesses can be described as benefitting significantly from the UK's membership of the EU Single Market or Customs Union, or both.

Understanding the impact of the no-deal scenario will help a business to understand the impact of a free trade agreement. This scenario is significant because it is the permanent regulatory framework in which UK-based businesses will operate in the EU post-Brexit, or post any transitional deal. It is possible to get a good idea of how businesses are impacted by trade deals by looking at existing EU trade agreements. One of the key issues for businesses to understand is the distinction between the commercial benefits arising from the UK's Single Market membership and the more limited benefits of Single Market access arising from a trade deal with the EU.

WHAT?

Businesses should decide whether to put in place contingency plans and when they should be activated. Such decisions should be taken in the light of the impact assessment, which will indicate how exposed a business is to both Brexit scenarios—in other words, where on the spectrum of risk it lies. They will also depend on a business's appetite for risk.

Contingency plans should include mitigation measures for the worst-case-scenario, and take account of lead times for regulatory approval in the EU27 member states. There is no one-size-fits-all solution. Some companies will be marginally impacted, others significantly. UK financial services companies are illustrative of businesses whose operating model is sufficiently threatened by Brexit to require setting up regulated subsidiaries in EU Member States. For others, contingency measures might include expediting customs procedures, increasing the capacity of a distribution centre, re-skilling employees, setting up alternative supply chains, or identifying new customer markets.

WHEN?

Postponing strategic decisions with long lead times for implementation is a clear business risk. It can make it necessary to react under tight deadlines, and can affect the viability of operations and increase the cost of implementing the necessary changes. This is particularly true in the case of Brexit, where there will be a risk of no deal until close to the end of the negotiations.

The difficulty is in deciding which contingency plans need to be implemented now, and which should be flexible enough to keep pace with the negotiations. Less expensive measures can be implemented more quickly, but corporate restructuring may be unavoidable. Such decisions should be taken sooner rather than later.

A word about DLA Piper

DLA Piper has been at the forefront of advising clients on the commercial implications of Brexit. We have the experience to help you assess the impact of Brexit, devise and implement contingency measures, and stress-test them against a range of Brexit scenarios, whatever industry you operate in.

The DLA Brexit team is led by a former UK Government trade negotiator, John Forrest, and me, Paul Hardy, the former EU Legal Adviser to the House of Lords.

www.dlapiper.com/pl/uk/

BREXIT: Where we are now?

The UK's official departure date from the EU is only nine months away. Currently, the UK and the EU have agreed that during the post-Brexit transition period, much EU law will continue to apply to the UK but the precise mechanics are unclear and many issues are still under negotiation. The repercussions of the UK's withdrawal from the EU could vary depending on any transitional provisions or eventual replacement regime.

Michaela Britton, a lawyer at Penningtons Manches, a leading law firm and COBCOE Corporate Partner, reviews the latest developments in the areas likely to be most impacted.

1. Commercial arrangements

EU law has a major effect on a number of areas including: advertising and marketing, commercial agencies, consumer, distribution, ecommerce and outsourcing. The general view is that it is likely that the UK Government will keep or re-enact the relevant legislation when it comes to any post-EU Withdrawal Bill review, although there would be obvious scope for departure in the future.

In relation to new contracts, businesses should consider in advance how the contract might be affected by Brexit, and seek to provide accordingly, for example by including specific 'Brexit clauses'.

2. Immigration

Some of the key points agreed so far:

- There will be an 'implementation period' from 29 March 2019 to 31 December 2020 during which free movement will continue.
- EU citizens who legitimately resided in the UK for five years by 31 December 2020 will be able to apply to stay indefinitely ('settled status'). EU citizens will need to apply for settled status even if they already have permanent residence.
- EU citizens residing in the UK for fewer than five years by 31 December 2020 will be entitled to 'temporary status'. This means that they will be able to stay in the UK until they have reached the five-year point.
- The deadline for submitting applications for temporary and settled status will be no more than six months from 31 December 2020.

This agreement is limited to EU nationals who arrive in the UK before 31 December 2020. The UK government has not made any formal proposals for the migration arrangements for EU citizens intending to come to the UK after 31 December 2020.

3. Environment

Depending on the trading arrangements agreed, it seems likely that the UK will need to comply with product-related environmental legislation (e.g. chemicals, eco-design, product energy efficiency and producer responsibility).

In the past, the UK has struggled to meet EU requirements in certain areas (e.g. air quality). The general view is that the government may use Brexit as an opportunity to weaken environmental standards in certain environmental areas.

4. Financial services

The implications of Brexit for the financial services sector are significant and key issues include:

- **Access to financial markets:** A key concern for UK financial institutions is the loss of "passporting" rights after Brexit. Passporting is the exercise of the right to a firm authorised in one EU member state to carry on

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BREXIT READINESS

Seizing the opportunity

By Darren Wray, CEO, Fifth Step

Whilst I was never a Scout, the scouting motto of Always Be Prepared is one that resonates with me and perhaps more so at this time when Brexit is causing an increased level of uncertainty amongst businesses.

No matter if your organisation is based in the UK or in mainland Europe, reading the press at the moment it is difficult not to be confronted by regular stories covering the full range of Brexit emotions, from Brexit will change very little right the way through to nothing will be the same again.

It would seem very difficult for businesses to be prepared in an environment that is so dynamic and undecided. Many years of working with companies of all sizes has taught me the value of being able to see through the noise and how this can free a business to move forward.

Organisational self-awareness

Understanding the environment that your business is operating in and being able to understand your business' strengths and weaknesses in this environment is a vital part of being able to prepare for and respond to change.

In my book the Brexit Readiness Guide, I discuss choosing two scenarios that you feel are potential Brexit scenarios, for example, your first may be one where the UK remains in the Customs Union, and the second may be one where the UK is outside of the Customs Union.

Using your chosen scenarios you can now perform a combination of SWOT (Strengths, Weaknesses, Opportunities and Threats) and PESTEL (Political, Economic, Social, Technological, Environmental and Legal) analysis to get to know your business and how prepared it is to deal with these scenarios and what your business needs to do to improve. This becomes your Brexit Transformation Plan.

Performing this sort of analysis is useful in many different scenarios, not just for Brexit readiness; it will help raise your organisation's awareness of itself and be prepared for complex change and is very useful for considering 'what if?' scenarios.

Be selective

Some organisations are stunned into inaction when faced with complex change, thinking that they have to know everything before they start anything. The secret to overcoming this and becoming more agile is to break the change into smaller pieces or initiatives. Understanding the dependencies of these initiatives and the decisions that have to be made (internal or external to your organisation) will allow you to identify those projects that can start and offer the greatest benefit to your organisation now.

Spotting the oppportunities

So much of what is written about Brexit focuses on the negative aspects – this isn't the part where I try to convince you of the rights or wrongs of Brexit – I personally believe in the mantra "with change comes opportunity". Organisations who are so focused on the potential negative impact, or who are focusing on implementing changes for a worst-case scenario are likely to miss the opportunities that are there now and are potentially being taken advantage of by others today.

The answer to this is to seize the opportunities identified by the SWOT and PESTEL analysis and ensure that they are being acted upon. Having a person or a team responsible for the ongoing identification of opportunities and the implementation of opportunity-orientated changes may be transformational for your business.

Don't delay

There is now less than a year until the UK enters into the 21-month transition period. That may seem like more than enough time to adapt your business, but better to start sooner and have time to spare than to start late and overrun. So my advice when I talk about this subject to CEOs, business leaders and business founders is that there is no commercial benefit or advantage in delaying.

If you would like to know more about Brexit readiness or managing complex change, you can contact me at darren.wray@fifthstep.com. The Brexit Readiness Guide is available from Amazon in both paperback and eBook formats.

www.fifthstep.com

IMPACT ON COMMERCIAL CONTRACTS

By Natalia Luchnikova
Head of Legal, Dracaena Legal & Transaction Services

Brexit – current status

In March 2018, the UK Government and the EU concluded a draft withdrawal agreement , which, among other things, clarifies that most EU law will continue to apply to the UK during a post-Brexit transition period between 30 March 2019 and 31 December 2020, regardless of the UK formally ceasing to be a member of the EU on 29 March 2019. In addition, the current draft of the European Union Withdrawal Bill (2017-2019) requires that most existing EU legislation be copied across into domestic UK law to ensure a smooth transition on the day after Brexit. It will then be up to the appropriate UK legislative body to "amend, repeal and improve" individual laws as necessary.

From a practical perspective, this adds clarity by confirming that the current commercial law will largely remain unchanged during the transition period ending on 31 December 2020, and significant changes resulting from Brexit will likely be medium to long-term. But while the law may not change a great deal, at least at first, operation of contracts and the ability of parties to exercise their rights may be affected. As part of Brexit planning, businesses should review key existing contracts and future-proof new contracts.

Brexit impact and what you should do to prepare

- **EU references in contracts.** Businesses should consider whether post-Brexit EU references in a contract will: (a) continue to include the UK, (b) refer to the correct piece of legislation, (c) impose the correct level of regulation and compliance, (d) reflect the commercial reality of the parties, and (e) include any successor legislation in the UK. Contracts (existing or new) will require express provisions to clarify these matters.
- **Financial impact.** Careful consideration should be given to the potential implications of Brexit on key financial terms of a contract, such as the imposition of duties/tariffs/additional taxes, restrictions on the freedom of movement of people or changes in exchange rates. These implications may affect the profitability of a contract and it would be prudent to include express provisions dealing with responsibilities and allocating risks.
- **Governing law and jurisdiction.** While it is anticipated that English law will remain an attractive choice of law, it will no longer be subject to the full application of EU law following Brexit and its applicability may be questioned. There may also be issues with enforcement of a judgment by the English courts in some EU member states if the UK ceases to be covered by the current EU legislation and replacement arrangements are not made.
- **Termination rights**. It seems unlikely that a party which suffers adverse consequence as a result of Brexit will be able to terminate its agreements on the basis of a typical termination clause, and an express provision allowing a party to invoke such termination right would be required. The effectiveness of "material adverse change" clauses referencing Brexit in the context of existing or new transactions should also be considered.
- **Force majeure.** An event rendering performance of a contract impossible is likely to constitute a force majeure event. It is unlikely, however, that a typical force majeure clause will be of assistance to a party seeking relief from its obligations as a result of Brexit. If a business wishes to include a force majeure clause that can be invoked in the circumstances triggered by Brexit, they should refer expressly to the commercial consequences of Brexit in their force majeure clause.
- **Frustration.** Frustration is a common law concept, which is applied narrowly by the courts in that the frustrating event must render further performance impossible, illegal or make it radically different from what was contemplated by the parties at the time of entry. Parties wishing to be discharged from their obligations will not be able to merely invoke frustration because a contract has become more expensive to perform as a result of Brexit and this should be taken into consideration.

The above list is non-exhaustive and there is no one-size-fits-all approach to contract analysis. Every business will need to consider its particular circumstances based on factors such as its location, regulatory environment and location of its customers/suppliers/workforce.

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Continued from page 8 – Brexit: Where are we now? by Michaela Britton, Penningtons Manches

certain activities in another EU member state, on the basis of its home state authorisation.

The UK government is seeking to agree a free trade agreement with the EU with the aim that it should contain bespoke measures allowing UK firms some degree of access to the EU.

- **Relocation:** The loss of passporting rights means that UK firms need to consider whether to relocate their operations to another EU member state so that they may continue to carry on financial services in the EU after Brexit. Similarly, EU firms that carry on UK activities in reliance on passporting rights need to consider whether they need to obtain authorisation in the UK.
- **Continuity of cross-border contracts:** These are contracts where EU-based customers have access to financial products/services from UK firms and contracts where UK-based customers have access to financial products/ services from EU firms, all of which will be affected by Brexit. If no arrangement is agreed between the UK and the EU to address this issue, companies will need to consider remedies including transferring, restructuring or terminating these contracts.

5. EU Trade marks and community designs

EU registered trade marks and designs that cover the whole EU will no longer have force in the UK after the transition period, so the question is how these rights will cover the UK after that time. The EU and the UK government have broadly agreed that they should remain enforceable in the UK until the end of the transition period, and that the holder of an EU trade mark or Community design registered or granted before the end of that period will, without any re-examination, become the holder of a comparable registered and enforceable intellectual property right in the UK.

It remains to be seen what the UK Government will agree with the EU during the upcoming negotiation meetings.

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IS DATA THE WORLD'S MOST IMPORTANT RESOURCE?

By Jurga Žilinskienė, CEO, Today Translations

Forget oil.

This is the 21st Century. We're moving towards driverless, electric cars and some very influential voices are suggesting that data could now be the world's most important resource.

After all, Google can see what people search for, Facebook what they share, and Amazon what they buy. That's very valuable information.

Data is to this century what oil was to the last; a driver of growth and change.

How much is data worth?

The value of data is increasing and researchers have just begun to develop pricing methodologies, which the consultancy Gartner calls 'infonomics'.

The giants of the digital world, Alphabet (Google's parent company), Amazon, Apple, Facebook and Microsoft, are the world's five most valuable firms, with net profits of over $25bn in the first quarter of 2017 alone.

Smartphones and the internet have made data abundant. You leave a digital trace wherever you go, from walking to work, to climbing a mountain or just sitting in your car. And artificial intelligence (AI) techniques, such as machine learning, increase the value of data.

Algorithms can now predict when you're ready to buy, when an engine needs servicing, or when someone is at risk of catching a disease. Sensing the change, industrial giants such as GE and Siemens have become data firms.

But who owns 'data'?

Data has incredible value, but does it have ownership? Despite landmark cases such as 'the right to be forgotten', experts suggest that there are no enforceable property rights. Data is a 'non-rivalrous' commodity, unlike oil. Proving ownership, and who deserves to profit from it, is difficult, but consumers should realise that our data has value.

Perhaps we shouldn't part with it so willingly. If we refused to share our data with the online world, the digital economy would grind to a halt.

But many of the younger generation – those who have grown up with smartphones and social media – don't see the problems with parting with their information. Even if they do, the act of relinquishing private information has become almost intrinsic to modern life. The notion of refusing to share data is all well and good until you need to give Google your GPS coordinates to get directions.

Regulation is another factor, most recently the reason for a million marketing emails: GDPR. Increased regulation could slow the market, but it's highly unlikely to curb it completely.

A reusable resource

Meanwhile, other experts have countered that that comparisons with oil are inaccurate, and useful only as marketing shorthand that reminds us that data is a valuable commodity.

Oil is finite, whereas data is infinitely reusable. Oil needs a huge amount of resource to move around the world, while data can be moved at the click of a mouse. Data also gets more useful the more it is used, rather than its energy being converted to fuel, heat or light.

Once it's been processed, data can reveal more applications. Medical data, for example, can help treat patients. But it can then also be anonymously fed into machine learning systems to generate broader conclusions that benefits whole populations.

The $43 billion dollar and growing translations industry enables trade and creates billions of words. While the vast majority of work is still carried out by humans, there is great value and efficiencies that can be made by capitalising on developing machine learning for translation.

Perhaps treating data like oil, as a finite resource, would be a mistake.

No easy answers

Questions about who owns data and who can benefit or profit from it are not going away, nor do they have easy answers.

What we can do as individuals is to step back and review, both in detail and in a more general sense, how much data we give away and how comfortable we are with that. As businesses, we must not only respect individuals' wishes but also ensure our systems and processes are secure enough to prevent data loss by any means.

Today Translations is an international translation services and consulting company headquartered in the City of London. They help their clients to win global contracts and communicate with customers in over 200 languages by using the most skilled human translators and the latest translation technology.

www.todaytranslations.com

COBCOE Connects – a growth story

COBCOE connects is a unique online platform that solves many of the problems associated with business development. It not only makes it quicker and simpler to find new contacts, but also focuses on the element of trust with local experts managing the platform's members.

When businesses are looking to establish a presence in a new market, find distributers or connect with new suppliers and service providers, it can be a lengthy and expensive process. Finding new people to do business with in an unfamiliar market typically involves a major investment in travel, meetings, attending trade fairs and paying for research, all of which are large outgoings with no guarantee of success.

And while online networking seems an obvious solution in this digital age, it's not always safe – the web is aptly named because it's not always easy to tell who is the spider and who is the fly!

Trusted networks

Unlike other online solutions, COBCOE Connects recognises the importance of trust in all business relationships. It ensures that users can find trusted business partners through COBCOE Connects because it hosts many online networks which are managed by chambers of commerce and similar business associations. These organisations use their in-depth knowledge of the local market to verify companies that want to join and help them make the most of the platform.

Officially launched in 2017, COBCOE Connects is continually growing with new networks signing up all the time.

The mission is business without any barriers for all entrepreneurs and people with ideas, and to connect them wherever they are in the world, and facilitate the development of lasting and mutually beneficial business relationships.

At the time of writing, COBCOE Connects had the following networks, with more due to join from different locations, including outside Europe:

France – Franco-British Chamber of Commerce and Industry
Italy – British Chamber of Commerce for Italy
Belgium – British Chamber of Commerce EU & Belgium
Lithuania – British Chamber of Commerce in Lithuania
Finland – British and Commonwealth Chamber of Commerce in Finland
Bulgaria – British Bulgarian Business Association
Slovenia – British Slovenian Chamber of Commerce
Turkey – COBCOE associate
UK networks – Hertfordshire Chamber of Commerce and Thames Valley Chamber of Commerce Group, plus a number of Scottish chambers of commerce of which the Edinburgh Chamber of Commerce is the first.

Typical success stories on COBCOE Connects

A Baltic company belonging to the British Bulgarian Business Association posted on the platform about their interest in investing in a cosmetics company in Western or Central Europe. A few weeks later, the company was in touch with a potential candidate recommended by a moderator on the platform.

A Belgian company was looking for accounting services in Italy. After reaching out to the British Chamber of Commerce for Italy via the platform, it was able to find a recommended firm.

A company was looking for a whisky, gin and rum distiller with the potential for an own label brand. A member of the British and Commonwealth Chamber of Commerce in Finland specialising in bulk whiskey production saw the post and immediately started exploring the possibilities for future collaboration.

Low cost

It costs a company just €100 plus tax per year to join the platform. To try it out, a 30-day free trial is available, after which joining and payment requires agreement by the company.

Sign up for a free 30-day trial
www.cobcoe.tiao.world

COBCOE Connects partners

Companies supporting the platform and gaining visibility through it:

Kompass – the international lead finder
Halo Financial – foreign exchange services
Hickey & Associates – location specialists
Rochester PR – UK market entry specialists
Today Translations – Award-winning translation and interpreting services
Flywire – international business receivables made easy
Gorelocate – online marketplace for relocation services

SIX ISSUES trade companies face with international payments

By Ryan Frere, Vice President of Global Payments, Flywire

With the increase in globalisation, international trade companies have found it easier to expand into new markets. Innovations in communication and transportation have paved the way for globalisation, yet many international trade companies struggle with a fundamental aspect of business: the exchange of money for goods and services. Below are six issues we commonly see importers and exporters face when dealing with international payments:

1. Hidden fees

Trade companies are paying far more than they should to receive their own payments. Businesses can incur flat fees on incoming wire transfers, which can be a $20-$50 fee assessed on receiving the wire. Moreover, intermediary banks are sometimes in the middle of a transaction and charge their own additional wiring fee.

2. Exchange rates

Exchange rates affect both the importer trying to pay for goods, and the exporter trying to collect on the goods. Banks charge a

premium on foreign exchange, which is often a large margin above the mid-market, interbank, or real exchange rate.

3. Payment tracking

International payments unfortunately don't have the tracking abilities of carrier services. Importers have no insight into if or when their payments have been delivered into the exporter's bank account, and the exporter has no view into the status of the payments.

4. Payment identification

Exporters' Accounts Receivable departments spend time and resources identifying and reconciling wire transfers, as it is often difficult to identify any payer information on a deposit.

5. Importers can't easily pay

Importers are often constrained to making payments via wire transfer, and are unable to utilize more modern payment methods, such as credit/debit card, or e-wallet methods.

6. Fraud

The more a business expands internationally, the more compliance and anti-money-laundering considerations there are that need to be addressed.

International payment processors provide solutions to these issues by streamlining the process. They bring transparency and speed to transactions between importers and exporters, thus solving important cash flow issues. Payment processors also take away all the headaches that come with region-specific challenges in markets where businesses don't have banking relationships or infrastructure.

To learn more about Flywire's partnership with COBCOE, visit flywire.com/cobcoe.

ABOUT COBCOE

COBCOE is the not-for-profit membership organisation for British chambers of commerce, business associations and business groups located across Europe.

With members in most European countries, we are the only pan-European British business network. Together, our members represent around 12,000 businesses, creating a unique network of trusted organisations. A further 50 chambers of commerce and business organisations based in the UK and around the world are affiliated to us.

Acting as an umbrella organisation, we work with our members, affiliates and Corporate Partners to remove barriers to international trade and business by focusing on the following areas:

Thought leadership and representation

COBCOE is widely recognised as an effective voice for European business. Following the UK EU referendum, we launched the Brexit Ambition project to make negotiators and governments aware of business realities. Our research report 'Brexit – the Voices of European Business', published in September 2017, was presented to negotiators and business leaders around Eruope and received media coverage across the continent. Around 1,000 businesses were involved in the research through multi-lingual surveys and roundtable discussions in 18 countries. In March 2018, we produced a follow-on report: Review of European Business Views on the Transition Period. To read COBCOE reports, go to: www.cobcoe.eu/publications.

International trade support

Through the Make Europe Work! programme, we have developed a range of services, engaged with service providers and created a support scheme from our network. We also publish this magazine and are compiling a Knowledge Bank. We organise events and can also organise delegations to and from the UK.

Creating business opportunities and value to chamber members

In addition to COBCOE Connects (outlined on page 14), we also provide bespoke services for individual businesses and membership organisations, including: event management, providing relevant, intelligent and efficiently managed events; consultancy for chambers; Training Academy offering tailor-made courses; and market research to identify business opportunities in new markets.

www.cobcoe.eu

New market entry services package

GROW in BRITAIN

COBCOE is launching a new service at the 2018 International Business Festival to help companies enter new markets. Starting with the UK, it will in time be rolled out to other European countries in the COBCOE network.

For the Grow in Britain package, three leading service providers are working together to provide the package through COBCOE:

- Analysis of existing brand or marketing proposition and a sector overview to establish the brand's suit-ability for the UK market – provided by **Rochester PR**
- Collation of key market information, data, trends forecasts and competitors to asses the right market intelligence – provided by **Step Beyond**
- An initial database build to kick-start UK market entry – provided by **JMB Partnership**

The total package is just £4,500 (excluding VAT). Please contact info@cobcoe.eu for more information.

All three service providers will be introducing Grow in Britain at a workshop at the International Business Festival on 13 June.

Work with COBCOE and meet your business goals

COBCOE partnership opportunities to meet a range of budgets and objectives

By supporting our projects to promote international trade and business, you can become part of a unique international business network.

COBCOE is the only independent, pan-European British business organisation. Becoming a COBCOE Corporate Partner means that your organisation can reach businesses of all sizes, and the organisations that support them, right across the continent, and beyond.

Partnering with COBCOE is about more than just visibility, it's about positioning your company or brand with trusted non-profits and international British business networks. It also means you can gain recognition for supporting the growth and development of our network that the businesses that belong to it.

There are different levels of partnership available to suit individual business objectives.

COBCOE Corporate Partnerships

Based on mtual support, artnerships enable us to work together with your business to achieve goals of common interest. e can help you to develop strategy, presence, activities and awareness throughout Europe, including the UK.

There are three diffferent levels of corporate partnership to reflect different levels of involvement and commitment:

- Strategic Corporate Partner
- Corporate Partner Plus
- Corporate Partner

Partnership contributions start at £1,500 a year. At the strategic level, a tailored partnship package can be built around your specific marketing goals.

Benefits for partners

As a partner, you can benefit from introductions to senior leadership teams within our networks. COBCOE partnerships also open up a number of editorial and promotional opportunities, as well as the chance to sponsor and speak at events which can tie in with your own marketing strategy.

The partners contributing to this magazine are at the Corporate Plus level and above.

This year we have started a series of events specifically for COBCOE Corporate Partners and those interested in partnering with COBCOE. The aim is to give our partners access to senior figures from government and business.

Our first Executive Briefing guest speaker was Nicky Morgan MP, Chair of the Treasury Select Committiee, kindly hosted by the Association of Chartered Certified Accountants, where business representatives were able to put their concerns to her.

The second Executive Briefing is taking place in June, with Gareth Davies, Director General, Department for Business, Energy and Industrial Strategy. The event will be supported by PwC.

To find out more about becoming a COBCOE partner, please visit www.cobcoe.eu/partnering or contact anne-marie.martin@cobcoe.eu.

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WE ARE **CREATORS, COLLABORATORS AND CHALLENGERS.**
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investliverpool.com

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