



What to expect on day one of a no deal scenario: Businesses trading in fluorinated gases and ozone depleting substances ^Δ

If the UK leaves the EU without any deal on 29 March 2019, the government will maintain the same high standards in regulating fluorinated gases (F-gases) and ozone depleting substances (ODS), which are used as refrigerants, feedstocks for the manufacture of other chemicals, in medical inhalers, fire extinguishers and in a range of other applications.

The majority of the requirements in the EU ODS and F-gas regulations will continue to apply in the same way.

Use of chemicals which damage the ozone layer is currently restricted under the EU Ozone Depleting Substances Regulation, which implements the Montreal Protocol, an international treaty that aims to phase out ozone depleting substances (ODS).

Currently, your company is allocated quotas allowing it to place limited quantities of ODS on the market for certain activities. Certain products containing ODS are banned and your company has to control leakages, report on their usage and apply for a licence to import or export ODS.

Use of the main group of F-gases, known as hydrofluorocarbons (HFCs), is being phased down under the EU Fluorinated Greenhouse Gases Regulation to help address climate change, as well as implementing international obligations under the Montreal Protocol.

Your business is again allocated a quota allowing it to place HFCs on the EU market. To receive an HFC quota, your business needs to have an office or 'Only Representative' in the EU. The regulation also bans certain uses, requires leakage checks and requires handlers of F-gases to be trained and certified, with certificates mutually recognised by EU countries.

How regulations will change

If the UK leaves the EU without any deal on 29 March 2019, the UK will set up its own quota systems and companies will receive two HFC quotas: one for placing on the UK market issued by the UK government and another for placing on the market for EU countries, issued by the EU Commission. Read the additional guidance on the rules and processes if the UK leaves the EU with no deal on GOV.UK.

New UK IT systems will be established and administered by the Environment Agency. The reporting requirements on businesses will not change, only the IT systems they use.

If you're a business that produces, imports, or exports HFCs or ODS or products and equipment pre-charged with HFCs or ODS you will need to apply for UK quota to place them on the UK market. You will also use the new UK systems to report on your use of ODS and F-gases.

Fluorinated greenhouse gases

The UK will continue using the same quota method and schedule to phase down HFCs, administered through a separate UK system run by the Environment Agency.

If the UK leaves the EU without any deal, the Environment Agency will notify your company of its:

- UK reference value (the baseline for calculating annual UK quota values)
- UK HFC quota for the period from 30 March 2019 to 31 December 2019.

You will also continue to get a quota from the European Commission, adjusted to deduct your UK market share.

Your UK company will need to set up an office or appoint an 'Only Representative' in the EU to remain eligible for EU quota.

If you're a business not based in the UK you will need to appoint an 'Only Representative' in the UK to be eligible for a UK quota.

There will also be a new UK HFC registry and reporting system, to capture the same type of information as is currently recorded on the EU HFC registry and F-gas reporting tool.

Ozone depleting substances

The UK will continue to use a quota system to restrict the use of ozone depleting substances.

Where you currently apply to the European Commission for an ODS quota, instead of this, you will need to:

- apply to the Environment Agency for a quota
- use new UK systems to report to the agency on your use of ODS
- apply to the agency for import and export licences on a new electronic licensing system
- from 29 March 2019, hold a licence to import or export ODS between the UK and EU.

There will be a new IT system to apply for a licence, and guidance on how to use the new system will be made available to users.

Making importing easier from the EU

HMRC is introducing new [Transitional Simplified Procedures \(TSP\)](#), to make importing through roll-on, roll-off ports and the Channel Tunnel easier for the initial period after the UK leaves the EU, should there be no deal. We anticipate TSP will remain in place until traders are ready to use rest of the world processes and permanent arrangements are in place, which will take at least a year.

Sign up for HMRC's new [Transitional Simplified Procedures \(TSP\)](#), online from 7 February, to make importing easier for you until at least April 2020.

Once you are registered for TSP you will be able to:

- transport most goods into the UK without having to make a full customs declaration at the port
- postpone paying your customs duties.

However, for controlled goods, such as animal products and most plants, or excise goods like alcohol or tobacco, you will have to provide some customs information before import.

We have published further [guidance on TSP](#) on GOV.UK, including the locations TSP applies to.

Actions you should take now

1. Consider any changes you may need to make to adapt to new processes and systems.
2. Read the additional guidance on the rules and processes if the UK leaves the EU with no deal on GOV.UK.
3. Sign up for [Transitional Simplified Procedures \(TSP\)](#), online from 7 February, if it's suitable for your business but you should note that:
 - you will need to use your EORI number to register
 - if you are importing controlled goods such as animal products and most plants, or excise goods like alcohol or tobacco, you will have to provide some customs information before you import
 - read further guidance on TSP on GOV.UK, including the locations TSP applies to.
4. Stay up-to-date with these changes by [registering for email alerts](#). Follow the link, add your email address, select 'Submit', select 'Add subscription' and choose 'EU Exit' then select 'Submit'.