

## The Brexit and its legal consequences

GSK Stockmann + Kollegen established GSK Brexit-Task Force and a 24 hours Brexit Emergency Hotline +49-69-710003-511.

Thursday 23 June 2016's referendum in the United Kingdom (UK) on the "Brexit" will go down in history as a black day for both sides, the UK as well as the European Union (EU).

Already long before that, GSK Stockmann + Kollegen has thought about the possible consequences of a "Brexit", especially – but by no means only – for the financial markets, and analysed the possible scenarios, the results of which we have put together for you on our homepage ([LINK](#)). The changes ahead of us relate to many different areas, including the following:

- **M&A:** In the field of M&A, the UK's decision to leave the European Union has already resulted in various transactions with links to the UK being put off and even cancelled definitely. ([MORE](#))
- **Company Law:** In company law with no transitional regime the freedom of establishment of corporations and partnerships will be omitted – be they British company structures, such as Ltds or LLPs, or European ones, such as SEs or EEIGs. ([MORE](#))
- **Financial markets' regulation:** In particular for financial markets' regulation, the referendum result means that, subject to a grandfathering in the then to be negotiated withdrawal agreement, banks and other financial services institutions, payment and e-money institutions, fund managers, their investment funds and insurance companies, etc., will no longer be able to profit from EU Passports. ([MORE](#))
- **Tax:** The Brexit might lead to various severe tax consequences for and in relation to the UK respectively. ([MORE](#))
- **Labour Law:** From a labour law perspective, the UK's exit from the EU will have a possible impact when it comes to entry and work permits, in the field of worker participation, but also in relation to individual contractual arrangements, as well as in the field of social security. ([MORE](#))
- **Real Estate:** From a real estate law perspective, the Brexit will probably have mainly economic consequences and will lead, due to the uncertainty of the further economic development in the UK, to short and possibly medium-term decreases of UK real estate prices. ([MORE](#))
- **Capital Markets:** The capital markets on our side of the Atlantic are very much influenced by the harmonising effects of the EU law. This is in particular true in regard of prospectus law currently to be reformed as part of the EU Capital Markets Union. ([MORE](#))
- **Funds:** Provided that there will be no deviating (transitional) arrangements agreed upon in the Brexit withdrawal agreement, UK fund managers and their funds will no longer be able to profit from EU Passporting under the respective EU directives (such as MiFID, UCITS or AIFMD); instead, they would become subject to the third-country regime and thus also to the provisions on marketing for non-EU AIFM. German/ European fund managers in turn will also no longer be able to make use of the AIFMD passport for the marketing of shares in the UK, although it is not clear yet which regulatory regime will in future apply to EU fund managers in the UK. ([MORE](#))
- **IP:** As a result of the Brexit, companies should review their IP portfolios with regard to registered rights for the UK, in particular regarding IP rights that apply throughout the EU. ([MORE](#))

- **Data protection:** The Brexit could also lead to severe consequences from a data protection point of view. At the moment the transfer of personal data between member states, including the UK, within the EU is widely privileged and from a legal point of view is treated like a transfer of data within one member state. ([MORE](#))
- **Dispute Resolution:** The Brexit will have an enormous influence on cross-border dispute resolution. Within this future, this will have to be considered by companies negotiating contracts with UK based contracting partners. Changes will occur with regard to the choice of law and jurisdiction. ([MORE](#))
- **Arbitration:** Arbitration clauses are a highly recommendable alternative to choice of national legislation as the recognition and enforcement of arbitration awards is not affected by the Brexit. ([MORE](#)) These various impacts of the Brexit are examined within our attached GSK Update "The Impact of the "Brexit" on Cross-Border Dispute Resolution" which we gladly provide you with under the following ([LINK](#)).

With these and many other issues we have dealt during the last few months. Also our experts from other areas have been involved as well. Together we form our **GSK Brexit Task Force**.

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**24 hours Brexit Emergency Hotline**

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