

# UK Land Brexit Policy Statement

January 2021

**NOTE:** This is not legal, financial or professional advice. World Fuel Services and its affiliates accept no liability for any reliance placed on this information.

World Fuel Services Europe has a Brexit team evaluating the potential impacts and opportunities presented by the UK's withdrawal from the European Union. Following the agreement of Brexit arrangements in December 2020, we are issuing this statement to our customers and suppliers whilst continuing to keep a watching brief on further developments. This statement is limited to our UK Land business only.

## Tax

- The government has issued guidance on tax changes and they believe that in the short-term there should not be significant disruption (please see the [www.gov.uk](http://www.gov.uk) website for the latest government guidance).
- We understand that tariffs will not apply to crude oil and other refinery feedstocks.

## Security of Supply

- We believe there will be a negligible difference in the procedure for importing petroleum products into the UK post deadline, and therefore we expect the British ports will run as normal.
- We understand that our suppliers have entered January 2021 with high stock levels at terminal to mitigate any risk of unforeseen supply disruption.
- Channel port congestion is not expected to be an issue as fuel suppliers mostly use their own jetties or other dedicated facilities.
- There have been minor changes to the customs paperwork for oil movements; including new form(s). This should not materially affect the efficiency of supply.

## Foreign Exchange

- Whilst we have not experienced it yet, Brexit could lead to foreign exchange rate volatility. Oil is generally purchased in \$USD before being sold to our UK customers in £GBP. If exchange rates become volatile, then there is likely to be an impact on oil prices.
- With supply costs quoted in \$USD, a weakening in the pound would have a negative impact and increase the final pence per litre price.

## EU nationals currently working for suppliers

- We understand that the status of EU workers currently in the UK will be protected. Therefore, we do not perceive an immediate risk to supplier personnel.

## Market

- There was some limited stockpiling in December 2020 but this did not cause any significant issues for our business.

## UK legislative requirements

- The fuel products we supply are marked in accordance with UK legislative requirements, and can therefore only be supplied and sold in the UK (i.e. within Great Britain and Northern Ireland). We politely remind our customers that it is their responsibility to ensure that all fuel products marked to UK legislative requirements remain within the UK.