

# BREXIT: the BDO approach



Few people can deny that the event which has become known as ‘Brexit’ - the decision of the people of the UK to leave the EU - may be the most significant political event of a generation, and is likely to have prolonged political, economic and business impacts in the UK - and beyond. At BDO - in our UK member firm, in the Global office and in other firms both within and outside Europe - we were swift to react. In this article, we outline the salient facts of what happened and what the situation is now, as well as how BDO is going about advising our clients.

## **What happened?**

The outcome of the UK referendum on 23 June 2016 was generally unexpected: the British people voted by a margin of 51.9% to 48.1% for their country to exit from the Union it joined when the UK acceded to the then European Economic Community in 1973. In the immediate aftermath, this resulted in significant political and economic reactions in the UK and it also sent shockwaves around the global economy.

## **The reaction**

Initially, there were dramatic falls in global and UK financial markets and a sharp downswing in the value of the Pound Sterling - followed by unexpected political fallout in the UK. While some economic forecasts remain gloomy, the UK economy has shown remarkable resilience since the shock result of the referendum and markets have recovered many of the losses suffered.

As the immediate reaction settles, attention is now turning to the detail of what the Brexit vote will mean for the UK economy and how to move forward. A feeling of uncertainty continues to prevail and is likely to remain widespread for the foreseeable future, at least until the political situation evolves and there is greater clarity as to what the UK leaving the EU will mean on a detailed level across all areas of life, including the economy and business.

### **The BDO response**

In response to the outcome of the referendum, our BDO UK firm was quick to establish a specialist task force to advise clients. The firm has also set up a microsite on its website containing extensive material highlighting many of the current and ongoing issues, risks and opportunities. Other BDO firms have followed suit.

All firms whose clients may in any way be affected have undertaken extensive client engagement in order to explain the issues and support their clients through the uncertainty and immediate business challenges. It should be pointed out that full certainty and clarity will remain elusive until the entire exit process has run its course - which could take some years.

At the same time, the Global Office set up a dedicated microsite on our global intranet which includes opinion pieces from both within and outside our profession and a vast inventory of articles, documents and material on the implications of Brexit, to help our firms - in particular those outside the EU. Included in this array of practical information are bulletins prepared by the BDO Global Regulatory & Public Policy Affairs team on the implications of Brexit for key industry sectors within BDO and for the overall area of international trade, as well as regional overviews. A selection from this BDO Focus on... series dedicated to Brexit is included in the [INSIGHTS](#) section of this site.

### **Comment**

These are interesting and challenging times for the economy and business community in the UK. They are also hugely significant for the EU itself. Turbulence, anxiety and uncertainty are the immediate results of the UK referendum. Doubtless there will be headwinds for the UK economy and certain sectors in the near future until clarity comes from the political process and the new order is revealed.

There is little doubt that in time, the resilience and ingenuity of the British people coupled, with its well-ordered regulatory environment and fundamentally sound economy, will see it negotiate the difficult times and prosper. To quote the BDO UK Managing Partner, Simon Michaels, recently: ‘... As always in the aftermath of economic shocks, businesses that remain engaged and adaptable will be best placed to trade profitably through and make the most of the opportunities that arise’.

BDO UK will continue to advise its clients - and those referred from the global BDO network - on how best to navigate the circumstances that will unfold as the Brexit process evolves. They will also work closely with the BDO Global Office, which is perfectly positioned in Brussels, minutes from the heart of the European Union, to monitor the exit negotiations as they take place.



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