

Brexit set to cause further chaos for UK Businesses



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The Brexit Opportunities minister Jacob Rees Mogg was recently quoted as telling the cabinet that he plans to introduce a five-year expiry date for around 1 500 pieces of EU regulatory legislation. Such Regulations were not listed, but I would be surprised if they did not include the Commercial Agents Regulations. The government made it clear long before the Brexit Referendum that they did not want these Regulations when they openly lobbied the other member states and Commission to abolish them. The MAA and IUCAB through our legal working group lobbied to keep the Regulations and were successful with the Commission.

So it would be surprising if they are not now, after Brexit on the government “hit list” at some stage I urge MAA members to lobby their MP’s to keep them updated as they offer you protection against wrongful termination without compensation. We all know of many cases where agents bring goods to market successfully and are then terminated as victims of their own success as their principals save money by removing agents once they have all the agent’s customers. This is inherently unfair to agents especially if, as before we had the Regulations in 1993 the agent would receive no compensation. You would think that the British sense of fair play should persuade all governments to keep that protection for agents.

If you fail in your efforts, then the prospect of a “Sunset Clause” whereby the Regulations are abolished within a fixed period of 5 years or less, as currently mooted, seems likely. Many agents who are above the retirement age of 67 have held back from retiring, but are ready to do so once we know for sure the Regulations will be abolished. We must all remain vigilant and watch for signs in a new bill of the abolition with or without a sunset clause. Any plans agents may have to retire can be brought forward to ensure you give the correct notice to retire to enable you to claim compensation on retirement while the Regulations still apply. For now, agents are continuing to reap the rewards of their success long after reaching 67 years old in the knowledge they can pull the plug and retire when it suits them and claim compensation for their efforts and success. Principals will continue to reap the benefit from their customer base after all and will end up in pocket after paying compensation.