CFO Brexit Survey
Spring 2018 Results
Welcome to the latest Thomson Reuters Quarterly CFO Brexit Survey, with results from a survey conducted in spring of 2018.

This survey has been designed to provide an ongoing barometer of the business community’s reaction to Brexit and to gauge what impact Brexit has had, or could have, on company expansion, investment, head count, relocation, and compliance.

Thomson Reuters has surveyed chief financial officers across the UK and Europe. To qualify for the survey, their companies must have revenue between $100 million to house in excess of $5 billion.

‘Businesses appear to be holding fast to a ‘wait and see’ attitude, and a sizable minority (37%) have held off from investing in the UK, which suggests that the full impact is yet to be felt. However, the slight rise in confidence in the political leaders negotiating Brexit – and a recognition that there may be some business benefits, particularly in reducing UK tax rates and in deregulation – suggests business leaders are beginning to feel increased faith in the process.’

Laurence Kiddle
Overall Results
There is continuity in this report; 40% of respondents continue to say that Brexit has impacted their strategic planning to date; this is identical to the last survey, released in December 2017. Likewise, 34% of companies say that they are still planning for a “no deal” scenario, a slight decrease of 4% since the last survey of 2017.

However, almost 30% of companies now anticipate moving staff from the UK because of Brexit, a rise of 10% since the summer of 2017. All government figures charged with delivering Brexit have enjoyed an increase in confidence; the Prime Minister Theresa May’s score has increased from 3.25 to 4.5; Foreign Secretary Boris Johnson has increased from 2.5 to 3.7, and Brexit Secretary David Davis from 3.57 to 4.5. This was the first report where respondents were asked to rank the degree of confidence they felt in the abilities of the Jeremy Corbyn, the Leader of the Opposition’s ability to deliver Brexit; he scored 3.2.

Respondents were also asked to rate confidence they had in John McDonnell, the Shadow Chancellor’s abilities to steward the UK economy for the first time. Like Jeremy Corbyn, John McDonnell was placed at the bottom of the table with a score of 3.6, while the Chancellor scored 6.1, and the Prime Minister scored 4.9.
The Results

Q1 If 0 is no confidence and 10 is extremely confident, how much confidence do you have in the following individuals to generate a positive deal for your business/industry in the Brexit negotiations?

Key
- Summer 2017 survey result
- Autumn 2017 survey result
- Spring 2018 survey result

Prime Minister
- 3.25 (Autumn 2017)
- 3.47 (Summer 2017)
- 4.5 (Spring 2018)

Foreign Secretary
- 2.53 (Autumn 2017)
- 2.89 (Summer 2017)
- 3.7 (Spring 2018)

Brexit Secretary
- 3.57 (Autumn 2017)
- 3.84 (Summer 2017)
- 4.5 (Spring 2018)

Secretary of State for Intern'l Trade
- 3.15 (Autumn 2017)
- 3.24 (Summer 2017)
- 4.3 (Spring 2018)

EU Chief Brexit Negotiator
- 4.38 (Autumn 2017)
- 4.4 (Summer 2017)
- 5.5 (Spring 2018)

Chancellor of the Exchequer
- 4.27 (Autumn 2017)
- 5.5 (Summer 2017)

The Leader of the Labour Party
- No data (Autumn 2017)
- No data (Summer 2017)
- 3.2 (Spring 2018)
Q2  If 0 is no confidence and 10 is extremely confident, how much confidence do you have in the following individuals’ stewardship of the UK economy? (Please rate all of the following)

- Prime Minister: 3.47
- Governor Bank of England: 6.1
- Chancellor of the Exchequer: 4.8
- The Shadow Chancellor of the Exchequer: 3.6

Q3  Has Brexit impacted your strategic planning decisions in the UK or across Europe so far?

- Yes: 31%
- No: 69%
Q3a How has Brexit impacted your strategic planning decisions? (Please select all that apply)

- Contingency planning in case of no final deal with the EU: 38% (Spring), 34% (Autumn), 49% (Summer)
- Held off from expanding operations in the UK: 29% (Spring), 37% (Autumn), 3% (Summer)
- Held off from expanding operations in the EU: 6% (Spring), 8% (Autumn), 3% (Summer)
- Reduced investment in Research and Development: 5% (Spring), 4% (Autumn), 4% (Summer)
- Shifted to short-term financial planning: 21% (Spring), 10% (Autumn), 11% (Summer)
- Reduced investment in technology to increase automation: 29% (Spring), 8% (Autumn), 3% (Summer)
- Held off from updating your current technology systems: 6% (Spring), 5% (Autumn), 1% (Summer)
- Other. Please specify: 14% (Spring), 4% (Autumn), 3% (Summer)
- I am not sure: 0% (Spring), 4% (Autumn), 3% (Summer)
**Q4** What best describes the Brexit preparations your company has taken to date? (Please select all that apply)

<table>
<thead>
<tr>
<th>Activity</th>
<th>Summer 2017</th>
<th>Autumn 2017</th>
<th>Spring 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scenario planning the various potential outcomes of the Brexit negotiations</td>
<td>22%</td>
<td>6%</td>
<td>36%</td>
</tr>
<tr>
<td>Investigating legal implications for moving staff out of the UK</td>
<td>5%</td>
<td>No data</td>
<td>No data</td>
</tr>
<tr>
<td>Investigating moving functions out of the UK</td>
<td>12%</td>
<td>17%</td>
<td>22%</td>
</tr>
<tr>
<td>Developing a media relations strategy related specifically to Brexit</td>
<td>4%</td>
<td>No data</td>
<td>No data</td>
</tr>
<tr>
<td>Investigating the possibility for relocation (e.g., site visits)</td>
<td>8%</td>
<td>8%</td>
<td>9%</td>
</tr>
<tr>
<td>Other. Please specify</td>
<td>8%</td>
<td>No data</td>
<td>11%</td>
</tr>
<tr>
<td>Observing only</td>
<td>No data</td>
<td>No data</td>
<td>43%</td>
</tr>
</tbody>
</table>

Key: 
- **Summer 2017 survey result**
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Q5  Do you anticipate the number of employees in the UK increasing or decreasing?

- Increasing: 15%
- No change: 40%
- Decreasing: 35%
- I am not sure: 10%

Q5a When do you anticipate increasing the number of employees in the UK?

- In the next 3 months: 39%
- In the next 4-6 months: 15%
- In the next 7-12 months: 55%
- More than 12 months: 14%
- I am not sure: 10%

Key
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Q5b When do you anticipate decreasing the number of employees in the UK?

- In the next 3 months: 5%, 10%, 7%
- In the next 4 - 6 months: 5%, 7%, 14%
- In the next 7 - 12 months: 20%, 24%, 40%
- More than 12 months: 44%, 50%, 52%
- I am not sure: 6%, 13%, 3%

Q6 Do you anticipate relocating staff from the UK as a result of Brexit?

- Yes: 19%, 24%, 31%, 81%
- No: 81%, 76%, 69%
Q6a Do you have a favoured location you would relocate the staff to? (Please select all that apply)

- **Netherlands**: 11% (Spring 2018), 15% (Autumn 2017), 17% (Summer 2017)
- **Ireland**: 9% (Spring 2018), 10% (Autumn 2017), 8% (Summer 2017)
- **France**: 5% (Spring 2018), 8% (Autumn 2017), 14% (Summer 2017)
- **Germany**: 8% (Spring 2018), 13% (Autumn 2017), 25% (Summer 2017)
- **Spain**: 8% (Spring 2018), 6% (Autumn 2017), No data (Summer 2017)
- **Luxembourg**: 8% (Spring 2018), No data (Autumn 2017), No data (Summer 2017)
- **Other – Inside EU. Please specify**: 18% (Spring 2018), 11% (Autumn 2017), 26% (Summer 2017)
- **Other – Outside EU. Please specify**: 5% (Spring 2018), 7% (Autumn 2017), 11% (Summer 2017)
- **I do not have one/I am not sure**: 16% (Spring 2018), 18% (Autumn 2017), 11% (Summer 2017)
Q7  Do you anticipate relocating your headquarters from the UK as a result of Brexit?

- Yes: 4% (Summer 2017), 9% (Autumn 2017), 10% (Spring 2018)
- No: 96% (Summer 2017), 91% (Autumn 2017), 90% (Spring 2018)
Q8  What are your biggest potential risks/concerns from Brexit? (Please select all that apply)

- Leaving the EU/EEA passporting regime: 13% (Summer 2017), 17% (Autumn 2017), 14% (Spring 2018)
- Brexit without a trade deal between the UK and the remaining EU countries: 23% (Summer 2017), 19% (Autumn 2017), 22% (Spring 2018)
- Depreciation of the British Pound: 18% (Summer 2017), 18% (Autumn 2017), 14% (Spring 2018)
- Increased trading complexity due to no trading deal being reached: 23% (Summer 2017), 23% (Autumn 2017), 23% (Spring 2018)
- Shifting data privacy protection requirements: 5% (Summer 2017), 7% (Autumn 2017), 8% (Spring 2018)
- Decrease in skilled labour within the market: 12% (Summer 2017), 11% (Autumn 2017), 13% (Spring 2018)
- Other. Please specify: 3% (Summer 2017), 3% (Autumn 2017), 2% (Spring 2018)
- I do not think there are any: 3% (Summer 2017), 0% (Autumn 2017), 2% (Spring 2018)
- I am not sure: 3% (Summer 2017), 1% (Autumn 2017), 1% (Spring 2018)
Q9  What are the biggest potential benefits for your business from Brexit? (Please select all that apply)

- Reduction in British taxation: 19%
- More efficient trade legislation between the UK and other countries: 9%
- Tariff reductions: 7%
- Appreciation of the British Pound vs. the Euro: 7%
- Deregulation within the UK market: 14%
- Other. Please specify: 5%
- I do not think there are any: 49%
- I am not sure: 35%

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Q10 Which, if any, of your tax functions do you feel will be impacted by Brexit?

- I am not sure: 5% (2018), 6% (2017), 5% (2016)
- I do not think there are any: 11% (2018), 10% (2017), 11% (2016)
- Other: 2% (2018), 2% (2017), 2% (2016)

- Customs: 26% (2018), 18% (2017), 27% (2016)
- VAT: 19% (2018), 21% (2017), 19% (2016)
- Corporate Tax: 15% (2018), 13% (2017), 20% (2016)
- Provision: 2% (2018), 1% (2017), 2% (2016)

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