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When talk turns to Brexit, much of the discussion revolves around what will happen once the United Kingdom of Great Britain and Northern Ireland leaves the European Union. While the United Kingdom Parliament hashes out a withdrawal agreement, with Prime Minister Theresa May at the helm, the economy is already shifting in anticipation of... what? The trouble is, no one is quite sure. Even experts can only make educated guesses since their research hinges on the type of withdrawal the United Kingdom and European Union ultimately consent to.

Where Brexit currently stands – A high-level view

The European Union recently approved a second extension of the Brexit deadline to allow May additional time to forge a deal in Parliament and finalize the United Kingdom's withdrawal from the Union. While the new October 31, 2019 deadline

offers some breathing room, it leaves the United Kingdom and European Union in an

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the United Kingdom leaves with no trade deals in place, and very little room to negotiate ideal terms in the future. A “no-deal” situation has the potential to create lingering consequences, particularly at the border between Northern Ireland – which is part of the United Kingdom – and the Republic of Ireland, with the European Union.

While those in favor of Brexit are eager for a more economically independent United Kingdom, others hope that the withdrawal agreement will come with lenient tariffs, not just at the Irish border, but for trade across the United Kingdom and European Union. Unfortunately, only time (and an approved withdrawal agreement) will tell how the trade relationship between the United Kingdom and Europe continues.

What Brexit means for businesses in the United Kingdom

Politics aside, the United Kingdom has already seen changes to their market and businesses since the original Brexit vote in late 2016. The pound sterling (GBP), which dropped drastically after the majority of United Kingdom citizens voted to leave the European Union, remains weakened in comparison to the United States Dollar (USD).

The approach of each Brexit deadline has triggered a slight drop in the market, followed by a recovery a few days after the granted extensions.

The GBP and Euro (EUR) have become tied to shifts in the political sphere, rather than the market. Companies are making financial decisions in anticipation of a plummeting currency values caused by Brexit. Many banks have already moved their home offices from London to various European cities. Healthcare facilities are stockpiling life-saving medicines in the event of a shortage. United Kingdom-based businesses are reducing their investments and employment opportunities.

How will Brexit affect U.S. business with the United Kingdom?

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solutions that lower the cost of electronic payments through exchange rate transparency ultimately improve the buyer's relationships with their suppliers.

Only one thing left to do

The United Kingdom and European Union are in a transitory stage – and that is an enormous understatement. The Brexit experience is genuinely frustrating because it has no precedent, so no one's sure what will ultimately happen. Economic growth may stagnate for a while, but as with any market, where there are ebbs, there will be flows. The only thing left to do is what the United Kingdom already does best: “Keep calm and carry on”.

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Accounting

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