

Outlook for Brexit negotiations

On 29 March 2017, Theresa May, the UK Prime Minister, officially notified the United Kingdom's intention to withdraw from the European Union (EU), following the previous year's referendum which resulted in a narrow vote to leave the EU (by 51.9 % to 48.1 %). Despite the EU and the UK being about to start negotiations, with a common aim of delivering an orderly withdrawal and minimising the negative impact on citizens and businesses, many issues remain far from clear.

Withdrawing from the EU: Article 50

The Lisbon Treaty introduced for the first time in the EU's history the explicit possibility for a Member State to withdraw from the EU – a possibility open to some doubt prior to [Article 50](#) being added in the Treaty on European Union (TEU). Article 50 now offers the only legal way for a Member State to exit the Union.

There are no substantive conditions in the EU Treaties relating to a Member State's right to withdraw, apart from the [procedure](#) set out in Article 50 TEU:

- The process [starts](#) when the withdrawing Member State (the UK) notifies formally the European Council of its intention to leave the EU; the European Council, meeting as 27, then issues guidelines for the negotiation and conclusion of an agreement on the withdrawal, which should take into account the framework for the future relationship between the EU and the UK.
- The UK and EU have two years to negotiate a withdrawal agreement; if such an agreement cannot be reached within that timeframe, UK membership of the EU comes to an end, unless the period is extended by common accord of the UK and the European Council, acting unanimously.
- The withdrawal agreement is negotiated by the EU, in accordance with the procedure set out in [Article 218\(3\)](#) TFEU and in the light of the European Council's guidelines. On the basis of recommendations from the European Commission, the Council adopts negotiating directives and appoints the Union negotiator (which will be the [Commission](#)).
- The Council concludes the withdrawal agreement (with a 'super qualified majority' among the 27 remaining Member States: 72 % of the participating Member States, comprising at least 65 % of their population) after obtaining the consent of the European Parliament (EP) with a majority of the votes cast.
- Ratification of the withdrawal agreement by the remaining EU Member States is not required.
- Any subsequent international agreement(s) on the future relationship between the EU and the UK would also have to go through Member States' national ratification procedures, unless it or they falls completely under the EU's exclusive competence.

During the exit negotiations, the UK will not take part in discussions within the Council and the European Council related to withdrawal, but Members of the European Parliament (MEPs) elected in the UK – as representatives of all EU citizens – will be able to take part in all EP debates on the withdrawal process and vote on the eventual deal. For issues not related to Brexit, the UK will continue to enjoy all the rights and obligations of an EU Member State until the withdrawal takes effect. Once the UK leaves the Union, EU law will cease to apply to the UK and its overseas countries and territories. International agreements between the EU and third countries will also no longer apply to the UK. The Court of Justice of the EU (CJEU) could be called upon to rule on various aspects of the withdrawal, including a withdrawal deal's compatibility with EU law.

Recent developments

On 29 March 2017, the UK Prime Minister [notified](#) the European Council of the UK's intention to withdraw from the EU, in accordance with Article 50 TEU; the UK will also withdraw from the Euratom Treaty (covering cooperation in nuclear energy). Furthermore, the UK government clarified that it would not seek continued membership of the EU Single Market, but rather rely on a comprehensive free trade deal with the EU. On



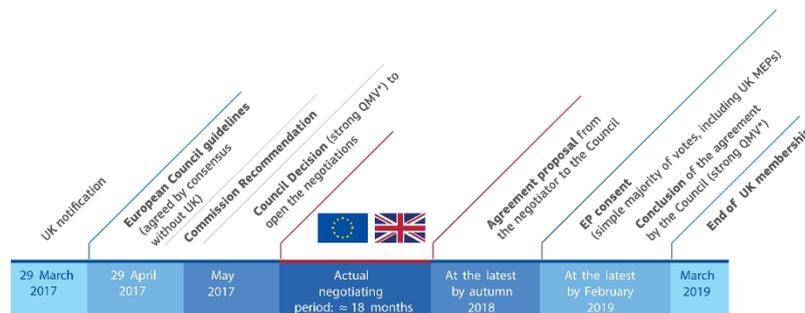
30 March 2017, the UK government [published](#) a White Paper on its planned Great Repeal Bill, which would revoke the 1972 European Communities Act, which gives effect to EU law in the UK, as from the day of the withdrawal, as well as transpose most existing EU law into UK law.

Meeting at a Special European Council on 29 April, the 27 Heads of State or Government adopted the [political guidelines](#) which will form the basis for the negotiations with the UK, in line with Article 50 TEU. Accordingly, the EU will conduct the negotiations with the UK in unity, in transparency, and as a single package (nothing is agreed until everything is agreed). Any deal with the UK must be based on a balance of rights and obligations, while the integrity of the Single Market, the EU’s decision-making autonomy and the role of the CJEU will be preserved. The guidelines set out a phased approach to the negotiations: in a first phase, the negotiations should aim to provide clarity and legal certainty to citizens, businesses and international partners on the immediate effects of Brexit, as well as to disentangle the UK from its commitments as a Member State; in a second phase, if the European Council decides sufficient progress has been achieved on the withdrawal deal, preliminary discussions could take place on the framework for the future EU-UK relationship (any agreement(s) would be finalised and concluded once the UK becomes a third country), as well as regarding any possible transitional arrangements following the withdrawal. The 27 EU leaders reaffirmed that the first priority for negotiations was to safeguard the status and rights of EU and UK citizens derived from EU law, and sought a single financial settlement to ensure compliance with the obligations resulting from the entire duration of the UK’s membership of the EU. The procedural arrangements previously set out in the [statement](#) of 27 Heads of State or Government of 15 December 2016 were confirmed.

On 5 April 2017, the **European Parliament** adopted a [resolution](#) on the negotiations with the UK, setting out the EP’s priorities and red lines for the future talks, with citizens being the main concern for the EP. The integrity of the Single Market and the EU’s fundamental freedoms, settling financial matters, the issue of [Northern Ireland](#) and its peace process are other priorities for Parliament. The EP also stated its wish for fair and close future relations between the EU and the UK, after Brexit.

Potential timeline

Following the UK notification and the European Council guidelines, the Commission made its recommendation to the Council on 3 May that talks be opened with the UK. The General Affairs Council should then, on [22 May 2017](#), adopt the negotiating directives and appoint the Commission as the Union negotiator. The Commission has already nominated Michel Barnier as its chief negotiator. According to the Commission, the actual negotiating period would only be around 18 months, to allow time for the conclusion of the withdrawal deal (EP consent, and conclusion of the agreement by the Council) to be completed in time for the 29 March 2019 deadline for UK membership of the EU to end (if the negotiating period is not extended). The UK government has committed to submitting a final deal to the UK Parliament for a yes or no vote, before the EP votes on the matter. It is unclear what would happen if the UK Parliament were to vote to reject a final deal.



Source: [European Commission](#).

* Strong QMV = 72% of the 27 Member States, i.e. 20 Member States representing 65 % of the EU 27 population.

The future EU-UK relationship

The withdrawal agreement is expected to address issues concerning acquired rights, including the legal status of British and EU citizens; the phasing-out of EU programmes and funding; UK disengagement from the EU budget; border issues; the relocation of the UK-based EU [agencies](#); and EU international agreements to which the UK would no longer be party. The negotiations on the future EU-UK relationship will touch upon many more dimensions. Besides the future [trade and economic relationship](#), parameters for cooperation will need to be established in various fields, such as foreign policy, security and [defence, police and judicial cooperation](#), freedom to travel and immigration, environment and climate change, transport, agriculture and fisheries, [higher education](#) and research. Both sides have expressed the wish for a close future partnership.