

Looking to the future
The timeline from notification

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KEY DATES

- 23 June 2016
- 24 January 2017
- 26 January 2017
- 13 March 2017
- March 2019?

Notification – Article 50



Article 50 provides:

1. Any Member State may decide to withdraw from the Union in accordance with its own constitutional requirements.
2. A Member State which decides to withdraw shall notify the European Council of its intention. In the light of the guidelines provided by the European Council, the Union shall negotiate and conclude an agreement with that State, setting out the arrangements for its withdrawal, taking account of the framework for its future relationship with the Union. That agreement shall be negotiated in accordance with Article 218(3) of the Treaty on the Functioning of the European Union. It shall be concluded on behalf of the Union by the Council, acting by a qualified majority, after obtaining the consent of the European Parliament.

Article 50 (cont)

3. The Treaties shall cease to apply to the State in question from the date of entry into force of the withdrawal agreement or, failing that, two years after the notification referred to in paragraph 2, unless the European Council, in agreement with the Member State concerned, unanimously decides to extend this period.

4. For the purposes of paragraphs 2 and 3, the member of the European Council or of the Council representing the withdrawing Member State shall not participate in the discussions of the European Council or Council or in decisions concerning it.

A qualified majority shall be defined in accordance with Article 238(3)(b) of the Treaty on the Functioning of the European Union.

5. If a State which has withdrawn from the Union asks to rejoin, its request shall be subject to the procedure referred to in Article 49.”

Three points to note:

1. The agreement under (2) is reached by a qualified majority vote.
2. The agreement to extend time under (3) requires unanimity.
3. There is a distinct lack of clarity about what constitutes “the future framework” for relations between a withdrawing state and the remaining EU

What is to be negotiated?



- A “divorce” settlement
- A transitional arrangement, and
- A deal on the long-term relationship

Policy issues to be addressed (1)

Foreign Affairs Committee suggested, as a minimum:

- The institutional and financial consequences of leaving the EU including resolving all budget, pension and other liabilities and the status of EU agencies currently based in the UK;
- Border arrangements between Northern Ireland and the Republic of Ireland and a recognition of Northern Ireland's unique status with regard to the EU and confirmation of the institutional arrangements for north-south co-operation and east-west co-operation underpinning the Good Friday Agreement;
- The status of UK citizens living in the EU;

Policy issues to be addressed (2)

- The status of EU citizens living in the UK;
- The UK's ongoing relationship with EU regulatory bodies and agencies;
- The status of ongoing police and judicial co-operation; and
- The status of UK participation in ongoing Common Foreign and Security Policy missions;
- A clear framework for UK–EU trade; and
- Clarity on location of former EU powers between UK and devolved governments.

Issues which have potential to impact the 2 year timeline



1. Particularly controversial issues

e.g. Brexit “bill” – i.e the exit payment – reports of €60 billion

2. Domestic politics in the EU: 5 significant sets of elections in Europe during this period:

- March 15, 2017 – General election in the Netherlands
- April 23 and 7 May – French Presidential elections
- May 2017 - Serbian presidential elections
- 23 June 2017 – Czech general elections
- August – October 2017 – German federal elections

Issues which have potential to impact the 2 year timeline



3. Negotiations inside the EU

Jonathan Faull, previously the highest-ranking UK national in the European Commission, told the HC Foreign Affairs Committee that

“It is a complicated process. Each of those 27 countries has its own politics, interests and concerns, and its own elections, in some cases, this year. The Brussels institutions will no doubt play their role to the full as well, so it is a complicated business.”

Issues which have potential to impact the 2 year timeline



Member States have different priorities and interests:

- Both with respect to their relations with the UK and
- With respect to the future shape of the EU itself.

Issues which have potential to impact the 2 year timeline



4. The potential for inter-institutional power play:

- European Parliament must give its consent to the final deal,
- but no provision is made for its involvement throughout the negotiations.

However, it has already made clear that it intends to play a significant role.

Issues which have potential to impact the 2 year timeline



5. The UK Parliamentary dimensions

- Various proposed amendments to the Brexit bill were ultimately defeated
- White Paper on exiting the EU the Government committed to putting the “final deal” that is agreed between the UK and the EU “to a vote in both Houses of Parliament”.

In sum, during the 2 year period...



- First, EU-27 will need to agree on the guidelines mandating the Commission to negotiate on their behalf
- This will have to include a decision as to whether the negotiations on withdrawal and future relationship are carried out in parallel.
- Even if they are, the exit 'bill' is likely to be highly contentious and could derail talks
- Wide range of issues even on those which are viewed as the minimum
- Any agreement needs ratification by European Council, European Parliament and UK Parliament – so time needed at the end of 2 year period.

No deal better than a bad deal?

No deal is likely to mean:

- Uncertainty for EU citizens in the UK and vice versa
- Disruption of trade in goods and financial services
- Regulatory gaps as EU agencies terminate services to UK businesses:
 - European Chemicals Agency
 - European Medicines Agency
 - European Aviation Safety Agency
 - Would have to set up home grown equivalents or seek to maintain links with the relevant EU bodies



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