



DODS EU BREXIT GUIDE

Brexit is a done deal, but what happens next?



EU MONITORING

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Brexit got done

The United Kingdom is finally leaving the European Union on January 31. This is however only the first step of the Brexit process as the transition phase now begins and it is time to talk about the future. This purgatorial period will last until December 31 2020 and the UK Prime Minister has ruled out any extension meaning that there are now 10 months to negotiate and ratify a new agreement. The issues to be dealt with under any future agreement were detailed in the **Political Declaration** setting out the framework for the future relationship. This list is extensive covering practically all policy areas ranging from trade, to security to financial services. Whilst the Commission is an experienced negotiator, these talks represent a somewhat novel challenge in that they concern the unravelling of existing cooperation as opposed to the creation of new forms of cooperation.

This briefing paper looks at the position of the European Union in relation to the upcoming talks on the future relationship, introduces the major actors, and provides some key dates.

Transition Period

Whilst the UK will leave the EU on January 31, the country will have to wait some time yet to gain full sovereignty. The transition phase means that whilst the United Kingdom will no longer be represented in the EU institutions, agencies, bodies and offices, EU law will still apply in the United Kingdom until the end of the transition period. This is scheduled to be December 31 2020 and the UK Prime Minister has legislated to prevent its extension (any extension would require the agreement of both parties). The transition phase is intended to be used to agree on a “new and fair partnership for the future”, but it remains to be seen how these talks will be structured and just when they will start. Both sides are yet to adopt their negotiating mandates and this means that meaningful talks are unlikely prior to March.

During the transition phase, the UK will remain in the EU Customs Union and in the Single Market, with all four freedoms, and all EU policies applying. In addition, the UK will remain bound by all international agreements the EU has signed. Whilst the UK will have the right to begin talks with third countries on new agreements, this cannot enter into force during the transition phase, without the express consent of the Commission.

The Commission has prepared a comprehensive question and answer document on the transition phase and the various rights and obligations of both sides, which can be found **[here](#)**.



WHO IS WHO?



Michel Barnier



**Ursula
von der Leyen**



Phil Hogan



**EP UK
Coordination
Group**



**Christophe
Hansen**



**Sabine
Weyand**



KEY EU PLAYERS



Michel
Barnier

Having successfully concluded the Withdrawal Agreement, whilst maintaining the unity of 27 Member States, the French ex-Commissioner will be once again picking up the baton and leading the newly established **Task Force for Relations with the United Kingdom**. Barnier, in his new role, will be tasked with coordinating all the European Commission's work on strategic, operational, legal and financial issues related to the United Kingdom's withdrawal and its future relationship with the European Union.



Ursula
von der Leyen

Whilst the new Commission President is unlikely to be working on the future relationship on a day to day basis, the tight deadlines involved in the talks may mean that she is required to intervene to provide political momentum as and when required.



Phil Hogan

As the new Commissioner for Trade, he will be an important voice in the Commission on the future relationship.



Christophe
Hansen

The Luxembourg Centre-Right MEP will be taking the lead for the influential INTA Committee and will thus have a central role in guiding any trade agreement through the Parliament.



Sabine
Weyand

Trade talks are an exclusive competence of the European Commission and as the newly installed Head of DG Trade, she will be playing a key role in the talks.



EP UK
Coordination
Group

The European Parliament will have to grant its consent to any agreement on the future relationship. Given the short timeline involved, the Parliament will be asked to approve any agreement in a shorter period than usual. This will make the continued engagement of the Parliament essential. Post- January 31, the Brexit Steering Group will morph into the UK Coordination Group. This will be chaired by the German Centre-Right MEP David McAllister.

WHAT DOES THE EU WANT?

The stated aim of the European Commission is to establish a truly ambitious and comprehensive new partnership with the United Kingdom which goes beyond trade and is unprecedented in scope. “Everything from climate action to data protection, fisheries to energy, transport to space, financial services to security”. However, it has been made clear that no third country can ever have the same rights and access as an EU member state and that the single market and customs union must be protected.

“The truth is that our partnership cannot and will not be the same as before. And it cannot and will not be as close as before – because with every choice comes a consequence. With every decision comes a trade-off. Without the free movement of people, you cannot have the free movement of capital, goods and services. Without a level playing field on environment, labour, taxation and state aid, you cannot have the highest quality access to the world's largest single market.”

- Commission President Ursula von der Leyen



Meanwhile, there have been efforts to introduce a sense of realism into the talks, with the EU negotiators repeatedly stressing that without an extension of the transition period beyond 2020, there will not be agreement on every single aspect of the new partnership, meaning that there will have to be prioritisation of issues. Thus far, the Commission has identified trade and the creation of a level playing field between the EU and the UK, security and fisheries as policy areas that need to be dealt with. Other issues such as the granting of equivalence in the financial services sector and judgements on data adequacy could then be dealt with separately.

Unlike the Withdrawal Agreement process, where the Commission was effectively able to dictate to the UK how the talks would progress, the negotiation on the future relationship will be, by its very nature, a far more equal process. Indeed, the depth of the final relationship may well depend upon the intentions of the UK. This is because, one of the EU's greatest fear is the emergence of a country on its doorstep that seeks to compete with a low standard regime and the creation of an unlevel playing field. As such, the depth of UK's access to the single market will be dependent of how closely aligned the UK remains to the competition, environmental, social, tax and general standards of the EU. This is why the major actors have repeatedly reiterated that the more divergence there is, the more distant the partnership has to be. As such, should the UK decide that its focus is on regulatory divergence and shifting away from EU standards, the talks will concern a lighter trade agreement.

Beyond trade, the Commission President has explained that new forms of cooperation will have to be established across the board. This includes student exchanges through the Erasmus+ programme, research cooperation and fisheries. The EU is, in addition, very keen to establish a broad security relationship with the UK through the establishment of a new, comprehensive security partnership to fight cross-border threats, ranging from terrorism to cyber-security to counter-intelligence. In this context, the Commission President has called for the necessary information and intelligence to be shared between the two blocs.

Barnier has already pointed out however that, as in the trading relationship, there cannot be the same degree of cooperation post-Brexit. He did nevertheless stress that there can be no trade-off on mutual security. As such, the EU will be looking to deal with security cooperation in its own light and to avoid this becoming a bargaining tool in any other talks. Part of this work will be carried out by Josep Borrell, the EU's High Representative for Foreign Affairs and Security Policy and Ylva Johansson, the European Commissioner who is in charge of Home Affairs and Internal Security.

2020 TIMELINE



HOW WILL THE TALKS EVOLVE?

Unlike the withdrawal talks, the negotiations on the future relationship will alternate between Brussels and the UK, with formal negotiating rounds taking place in first one and then the other. These rounds usually last a week, with negotiators bringing their proposals to the table on an agreed set of issues. Between the rounds, there will be numerous more technical meetings to try and keep progress moving. Recent press reports suggest that rounds will take place every three weeks.

If a trade agreement is found, this is the exclusive competence of the European Union and as such, it will require the endorsement of the European Parliament and of the Council. However, if there is an agreement on other forms of cooperation, this may also require the ratification by each member state. For example, any agreement on investment protection would require national and, in some cases, sub-national ratification.

The European Commission has over the last few years attempted to improve the transparency of trade talks and it is thus likely that the negotiating mandate will be made public. In addition, the Commission will likely produce a report on each formal negotiating round.





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