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# 3HR Legal Weekly

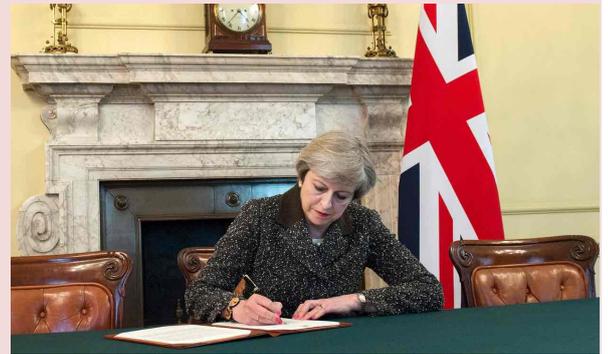
## Commercial

### Brexit Update – Article 50 activated

Theresa May has now sent a letter to the European Council of Ministers, formally activating Article 50 and commencing the UK's exit from the European Union.

#### Q: So what happens next?

A: Immediately, very little. The EU will acknowledge the notification but nothing substantial will happen for a few weeks. During this time the 27 remaining EU countries will discuss their individual and collective positions ahead of the negotiations. Germany in particular has already prepared extremely detailed position papers and prepared its civil service for the process. Once the parties have prepared, a date for formal negotiations will be agreed. The entire process will last two years, unless the parties agree to an extension.



#### Q: Who will be doing the negotiations?

A: While the negotiations will be the largest since the end of World War II and will involve all levels of the EU and UK civil services, they will be focused through certain individuals. On the EU side, the chief negotiator is Michel Barnier, a French politician, MEP, and the EU's chief Brexit negotiator. The UK will be represented by David Davis, the Secretary of State for Exiting the European Union, and Liam Fox, the Secretary of State for International Trade.

#### Q: Will trade deals be discussed straight away?

A: Probably not. While the UK government has indicated that it wants to start trade negotiations immediately, the EU's position is that a trade deal can only be discussed once the formalities of the UK leaving have been resolved. The EU will be looking for the rights of EU citizens living abroad to be confirmed, the avoidance of any disruption to the Northern Ireland peace process, and for the UK to honour its financial commitments to the EU budget and economic projects. Barnier has commented that "the sooner we agree on those principles, the more time we have to discuss our future partnership."

#### Q: What about Theresa May's threat to reduce red tape to convince businesses to remain in the UK?

A: The EU has warned that a trade deal will not happen should the government turn the UK into a tax haven, reduce workers' and consumers' rights, and cut environmental standards. Barnier has stated that a deal can only be struck "provided that it ensures fair competition and guarantees high environmental, social and consumer protection standards."

#### Q: What about current EU laws?

A: The government will be releasing a white paper tomorrow which will outline its plans for the Great Repeal Bill. The government plan to use delegated powers created for Henry VIII in the Statute of Proclamations 1539, which allowed the King to rule by proclamation. The government plans to incorporate EU law into UK law and then use these powers to make changes to those laws or even delete them entirely without having to pass legislation through parliament. Labour has indicated that it will oppose those plans, saying that it bypasses democracy. The government say that such powers are necessary to alter EU law to make it work domestically.

Should you require any assistance in this or any other commercial area please refer to our 3HR Commercial Law team which can advise accordingly.

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