



10 DOWNING STREET
LONDON SW1A 2AA

THE PRIME MINISTER

23 March 2018

Earlier this week the UK and EU negotiating teams reached agreement on the terms of a time-limited implementation period. Today's endorsement of that agreement by the March European Council marks another important milestone in our withdrawal from the EU, providing certainty and clarity to businesses and citizens in the UK and the EU about the arrangements that will apply during the implementation period. We have agreed that those arrangements will remain in place until 31 December 2020.

As I made clear in my Florence speech and at Mansion House, the implementation period will act as a bridge to our future partnership, giving you the time you need to put new arrangements in place. It will ensure that you only have to plan for one set of changes, and that your employees can continue to live and work in the UK, and move between the UK and the EU, as now. It guarantees that your access to EU markets will continue unchanged, and vice versa. And it means the UK will continue to benefit from the EU's existing agreements, including its Free Trade Agreements. The EU has committed to notify the other parties to those agreements that the UK should be treated as a Member State during this time.

To ensure the period works effectively, the UK will remain in step with the EU's rules and regulations. To support that process, the Withdrawal Agreement will be underpinned by a reciprocal duty of good faith – meaning that neither party will take action to undermine the other – and a Joint UK-EU Committee, which will enable both sides to raise issues or concerns.

There will of course be some differences, as we prepare for our future relationship with the EU. We will use the period to negotiate, sign and ratify trade deals with new partners. We have also reached a reciprocal agreement on UK and EU citizens who move during the implementation period, and the December package of rights will be extended to those arriving during this time. However, new arrivals will be required to register with the Home Office after three months' residence in the UK, and those wishing to stay beyond the end of the period will have to apply for leave to remain by June 2021.

In addition to the implementation period, the Council has today endorsed the significant progress that has been made across the rest of the Withdrawal Agreement. This is in line with our aim to conclude discussions on the Agreement as a whole by October.

We must now turn our attention to the future UK-EU relationship. The EU has today published its guidelines for the future relationship. I welcome their renewed emphasis on a balanced, ambitious and wide-ranging agreement. In my Mansion House speech, I set out how we should aim for the broadest and deepest possible partnership, covering more sectors and cooperating more fully than any free trade agreement anywhere in the world today. A fundamental principle of my negotiating strategy is that trade at the UK-EU border should be as frictionless as possible, and I outlined in my speech how that could be achieved through a comprehensive system of mutual recognition of regulatory standards, and the customs options that the Government has set out.

In the months ahead, I am confident that through calm, patient discussion of our respective positions we can reach an agreement that delivers the right outcome for the UK and the EU.

I look forward to starting those formal discussions and want to continue our conversation with you as we do so. This will ensure that the outcome supports businesses to grow, invest and innovate in a competitive, open and fair market.

We have always been confident that we will get a good deal – and today's agreement demonstrates that a good deal is clearer and closer than ever.

Yours sincerely

A handwritten signature in blue ink, appearing to be 'R. May', written in a cursive style.