



HM Government

**THE WITHDRAWAL AGREEMENT AND OUTLINE
POLITICAL DECLARATION ON OUR FUTURE
RELATIONSHIP WITH THE EU**

The UK and the EU negotiators have jointly published **an agreed Withdrawal Agreement, an outline of the political declaration and an accompanying joint statement.**

WITHDRAWAL AGREEMENT

This will be an **international treaty** between the UK and the EU setting out the terms of the UK's withdrawal.

OUTLINE OF THE POLITICAL DECLARATION

The **political declaration** sets out the scope and terms of the future relationship. It will be turned into an international treaty or treaties after we have left.

While this is a major breakthrough, the deal is not done – **negotiations on the political declaration continue.**

The Withdrawal Agreement is conditional on the conclusion of the final political declaration – **nothing is agreed until everything is agreed.**

How did we get here? What happens next?

There has been **progress over the last year** – from the Joint Report in December to now publishing the Withdrawal Agreement.

DECEMBER 2017

Joint report covering citizens' rights, Northern Ireland and Ireland, the financial settlement and other separation issues

MARCH 2018

Agreement on legal text for citizens' rights, the implementation period (IP), the financial settlement and a number of separation issues

JUNE 2018

Joint statement reflecting further progress on additional separation issues

NOVEMBER 2018

Withdrawal Agreement legal text and outline of the political declaration agreed by negotiators

NOVEMBER 2018

Final agreement on the full political declaration and Withdrawal Agreement

29 MARCH 2019

Exit day, start of the IP, as well as formal negotiations on the legal agreements for the future relationship

END 2020

End of the IP, and commencement of the future relationship agreements



Providing for the UK's exit from the EU

If the Withdrawal Agreement (WA) and political declaration are agreed by Parliament as required by the EU (Withdrawal) Act 2018 (“the meaningful vote”), the WA will be given effect by the **EU (Withdrawal Agreement) Bill**.

EU (WITHDRAWAL) ACT

This repeals the European Communities Act 1972, provides for an end to EU law in the UK, an end to the jurisdiction of the CJEU in the UK and an end to the EU institutions' role in the UK.

EU (WITHDRAWAL AGREEMENT) BILL

The WA and its implementing legislation will provide for the UK's orderly exit from the EU in relation to issues such as citizens' rights, the financial settlement and the IP.

Taken together, these two core pieces of legislation will ensure that when **the UK leaves the EU on 29 March 2019**, it does so in an orderly way.

PART I

The Withdrawal Agreement

What is the Withdrawal Agreement?

The Withdrawal Agreement **provides for the UK's exit from the EU** – but ensures that we do so in an orderly way.

CITIZENS' RIGHTS

Protecting EU citizens' rights in the UK, and vice versa

SEPARATION ISSUES

Winding down provisions of Union law in the UK sensibly

IMPLEMENTATION PERIOD

Providing stability and ensuring businesses only have to adjust to one set of changes

FINANCIAL SETTLEMENT

Resolving the UK's financial rights and obligations to the EU

GOVERNANCE

Ensuring that the UK's withdrawal is managed effectively

PROTOCOLS

Upholding our joint commitments in Northern Ireland and Ireland, and providing specific arrangements in Gibraltar and the SBAs

The Withdrawal Agreement has been agreed on behalf of the **whole of the UK** – the Devolved Administrations, the Crown Dependencies and the Overseas Territories.

Protecting citizens' rights

The WA **protects the rights** of more than three million EU citizens living in the UK and nearly one million UK citizens in the EU.

RESIDENCE

EU citizens in the UK and UK nationals in the EU, lawfully resident before the end of the IP, will be able to stay. Once they have been resident for 5 years, they will have a **permanent right to reside**. Their family members will also be protected.

STATUS

In the UK, EU citizens and their family members need to apply for a new residence status through the **EU Settlement Scheme**. Member States have a choice whether to require UK nationals and their family members to apply for residence status or not.

APPLICATION PROCESS

The **application process** will be short and user-friendly. Residence status issued free of charge, or for a charge not exceeding that imposed for issuing similar documents. In the UK the fee will be in line with the current cost of obtaining permanent residence documentation.

Equal rights and treatment for UK and EU citizens

The WA protects the **existing rights** to equal treatment & non-discrimination **for EU citizens residing in the UK before the end of the IP - and vice versa**. Their family members will also be protected.

RECOGNITION OF QUALIFICATIONS

EU professionals resident or frontier working in the UK, or vice versa, will continue to have their **professional qualifications** recognised, where they obtained or are obtaining a recognition decision before the end of the IP.

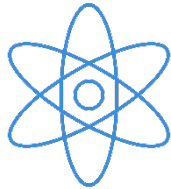
BENEFITS AND PUBLIC SERVICES

EU citizens with a right to reside or work under the WA will have broadly the **same entitlements** to work, study and access public services and benefits as now. EU regulations on social security coordination apply to individuals in scope of the WA, so citizens who have moved between the UK and EU before the end of the IP are **not disadvantaged** accessing pensions, benefits & other forms of social security e.g. reciprocal healthcare.

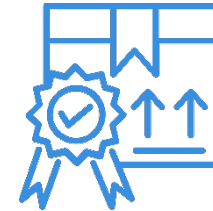
PROTECTIONS

In the UK, the citizens' rights part of the WA will be **fully incorporated** into UK law. An independent monitoring authority in the UK, and the Commission in the EU, will oversee its implementation and application.

To ensure that the UK's exit from the EU can take place in an orderly way, certain provisions of EU law need to be **wound down after the end of the IP**.



Arrangements for the UK's withdrawal from **Euratom**, clarifying responsibilities such as nuclear material and radioactive wastes



For **goods placed on the market** before the end of the IP, providing for continued circulation between the UK and the EU



For goods that are midway through a customs movement, ongoing **customs procedures** will apply



EU procurement rules will continue to apply to public procurement and similar procedures ongoing at the end of the IP

These issues were all provisionally agreed either in March or June.

Other separation issues

A number of **other separation issues** related to the UK's exit that require a winding down of EU law in the UK have also been agreed since June.



Pending **admin/judicial cases** before the end of the IP will continue to resolution, with intervention rights for the UK at the CJEU



Geographical indications will be protected as now, until the future relationship is in place



Data and information exchanged between the UK and the EU will continue to be protected to a high standard



Agreement on other issues - VAT and excise duties, police and criminal judicial cooperation in criminal and commercial matters, and privileges/immunities

Delivering stability through an implementation period

The **IP** ensures continuity, so that individuals and businesses only have to prepare for one set of changes as the UK moves to its future relationship with the EU.

TIME LIMITED

The period will be last until **December 2020** with the possibility of a time-limited extension

FOREIGN POLICY AND SECURITY

Specific arrangements reflect the unique nature of this policy area, including that the future relationship may come into effect during the period

PARTICIPATION

The UK will be able to participate in some meetings **of EU bodies and agencies**, including internationally, where necessary or relevant to the UK

INTERNATIONAL AGREEMENTS

The UK is treated as a Member State for the purposes of EU IAs. The UK will be able to **negotiate, sign and ratify** agreements which apply after the IP

FISHERIES

Access to waters and shares of catch remain the same to end 2020. During 2020 the UK will negotiate as an **independent coastal state**, with annual negotiations on access and fishing opportunities for 2021 and future years.

A fair financial settlement

The WA resolves the UK's **financial rights and obligations as a departing Member State** based on a set of principles and shared commitments.

PRINCIPLES

Only financial commitments that require funding by Member States, with a corresponding share of financial benefits

UK share of EU obligations will use existing rules for areas such as 2019 and 2020 budget contributions, and is fixed at the UK's average share 2014-20 otherwise

Payments required no earlier than they would have been had the UK remained a Member State

SHARED COMMITMENTS

UK participation in 2019-20 EU budgets, with protection against changes to budget rules after exit increasing our obligations

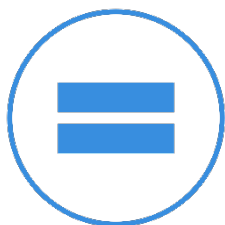
The UK will pay its share of outstanding EU budget commitments as at the end of 2020, receiving its share of corresponding receipts

The UK will pay its share of the EU's liabilities as at the end of 2020, taking account of EU assets

The definitive value of this will depend on uncertain future events. The Government has set out a **central estimate of £35-39 billion**, less than the EU originally proposed.

Robust governance arrangements

The **governance arrangements** are required to ensure that the issues set out in the previous slides, and the Protocols, can be managed in an orderly way.



Consistent interpretation of the WA through a commitment that UK courts will pay due regard to relevant decisions of the CJEU with respect to Union law after the end of the IP, without voluntary preliminary references as the EU proposed, apart from for 8 years for citizens' rights and two specific elements of the financial settlement.



Protection of rights established during our membership will be upheld. Businesses and individuals will be treated equally in the UK and the EU by being able to rely directly on the provisions of the WA and of the Union law made applicable by the WA in UK courts.



Resolution of disputes through the Joint Committee and independent arbitration, rather than the CJEU as the EU originally proposed, with references to the CJEU only about questions of interpretation of EU law from the panel at its own discretion, and non-compliance measures that include fines and suspension.

PART II

The Protocols

The Northern Ireland Protocol

As the only part of the UK sharing a land border with an EU member state, **the livelihoods of the people of NI and Ireland are linked.**

THE PROTOCOL IS THEREFORE ABOUT MORE THAN JUST THE BACKSTOP – IT IS ABOUT PROTECTING LIVELIHOODS IN BOTH NORTHERN IRELAND AND IRELAND

The continuation of the **Common Travel Area**

UK commitment not to diminish rights, safeguards and equality of opportunity as guaranteed under the **Belfast (Good Friday) Agreement**

Continued legal underpinning of the **Single Electricity Market** in Northern Ireland and Ireland

Commitment to **protect North-South and East-West cooperation** across political, economic, security, societal and agricultural contexts

The backstop has been driven by three key objectives

**NO HARD BORDER ON
THE ISLAND OF
IRELAND**

**CONTINUED NORTH-
SOUTH AND EAST-
WEST COOPERATION**

**PROTECTING THE
BELFAST (GOOD
FRIDAY) AGREEMENT**

The Government has been clear that **the challenges in NI are best addressed through the future relationship**. But the Protocol provides for a **legally operative backstop** that guarantees that there will be no hard border. If the future relationship is not going to be ready by 1 January 2021, the UK has two choices: request an extension of the IP or activate the backstop.

A **legal commitment** that both the EU and the UK will use best endeavours to reach such an agreement before the end of the transition.

Explicit recognition in the Protocol that it is intended to be temporary and **superseded by a future agreement**.

A Party can notify, and the Joint Committee can agree, to **terminate the Protocol** if it is no longer necessary to meet the stated objectives.

The backstop is an **uncomfortable arrangement** which is why both Parties are committed to a future relationship that means that it either does not come into effect or is superseded quickly.

The Protocol maintains the **constitutional and economic integrity of the UK**, in part through UK-wide customs arrangements.

UK-WIDE CUSTOMS ARRANGEMENTS

This means that there can be **no separation of the UK's customs territory**

No **tariffs, quotas or checks on rules of origin** between the UK and the EU

UK will harmonise on **state aid**, maintain existing **environmental, social & employment standards**, and some **tax practices**, and maintain a robust **competition** regime

There are **no commitments to pay budgetary contributions** of any kind to the EU

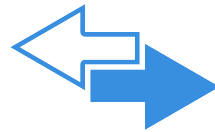
The backstop delivers a **basic set of trading arrangements**. But both sides are clear these would represent a suboptimal outcome compared to those envisaged in the outline political declaration.

NI will be subject to parts of the EU acquis, but **only those that are strictly necessary to avoid a hard border** between NI and Ireland, including with respect to VAT and SPS rules.

THE PROTOCOL ALSO PROTECTS THE INTEGRITY OF THE UK



Legal recognition of NI's place in the UK's internal market and a guarantee of full access to GB market for NI goods.



The Government could **temporarily maintain** applicable rules UK-wide to ensure continuity prior to the future relationship starting.



The Government will bring forward proposals on **the role for the NI Assembly** before commencing any backstop powers.

Protocols on Gibraltar and the Sovereign Base Areas (SBAs)

The WA includes **Protocols on Gibraltar and the Sovereign Base Areas (SBAs)** in Cyprus, which set out how arrangements will function in this respect.

GIBRALTAR

The **Protocol on Gibraltar** will be underpinned by arrangements setting out the Parties' commitments to cooperation in areas such as citizens' rights, the environment, tobacco and police and customs cooperation. These are important issues for citizens in Gibraltar and Spain and reflect the aim to work together in support of the shared prosperity of the area.

SBAs

The **Protocol on the SBAs** preserves the existing unique arrangements to reflect the UK's international commitments and ensure the continued effective operation of the SBAs for military purposes in the context of the UK's withdrawal from the EU. The arrangements will ensure that the laws applicable to Cypriots in the SBAs are, as far as possible, the same as the laws of the Republic of Cyprus.

The WA applies to Gibraltar and the SBAs in full.

PART III

The outline of the political declaration

Outline of the Political Declaration

The **outline of the political declaration** marks a decisive step forward in the UK's exit from the EU, signaling the ambition of both sides to embark on a new deep and special partnership.

PART I: INITIAL PROVISIONS

Core values and rights, data protection and areas of shared interest

PART II: ECONOMIC PARTNERSHIP

Goods, services and investment, financial services, digital, intellectual property & public procurement, mobility, transport, energy, fishing opportunities, and open and fair competition

PART III: SECURITY PARTNERSHIP

Law enforcement and judicial cooperation in criminal matters, foreign policy, security and defence, thematic cooperation, and classified and sensitive non-classified information

PART IV: INSTITUTIONAL ARRANGEMENTS

Structure of the agreement and governance

PART V: FORWARD PROCESS

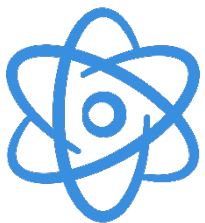
The process for how the political declaration will be turned into legally binding agreements

We have agreed that the future relationship should be underpinned by a set of **core values and rights, data protection arrangements and other areas of shared interest**.



Shared **values** including respect for human rights, democracy and the rule of law. UK commitment to the ECHR, and EU and Member States' commitment to the Charter of Fundamental Rights.

A commitment from the EU to provide an assessment of the UK's **data protection** standards through its adequacy framework – vital for the economic and security partnerships – by the end of 2020, and comparable facilitation provided by the UK. Agreement to cooperation between regulators.



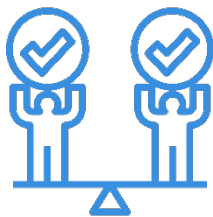
Agreement to set the terms for potential UK participation in Union **programmes**, including in areas such as science and innovation, culture and education, development, defence capabilities, civil protection and space, as well as related dialogue and exchanges.

There will be comprehensive provisions on **goods**, which will include zero tariffs and no quotas, establishment of customs arrangements, and regulatory aspects.



The UK is clear that the future relationship should supersede the relevant provisions of the Protocol on Ireland and Northern Ireland set out in the Withdrawal Agreement

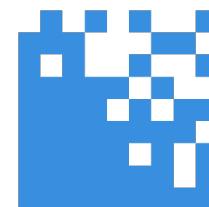
Services and investment arrangements covering market access and non-discrimination, regulatory aspects, and recognition of professional qualifications – with separate **digital** provisions.



Ambitious, comprehensive and balanced **services and investment** relationship that goes well beyond WTO commitments, while retaining regulatory autonomy



Broad sectoral coverage on market access and national treatment, non-discrimination and transparent regulatory approaches



Provisions to facilitate **electronic commerce** and cross-border data flows, including by addressing unjustified barriers to trade by electronic means



There will also be appropriate **arrangements on professional qualifications**

Arrangements for **financial services**, covering equivalence decisions and regulatory and supervisory cooperation.

PRINCIPLES

Commitments to preserving financial stability, market integrity, investor protection and fair competition, while respecting regulatory autonomy

EQUIVALENCE

Endeavouring to conclude equivalence assessments before the end of June 2020

COOPERATION

Close and structured regulatory and supervisory cooperation, grounded in the economic partnership, recognising that this is in the mutual interests of both sides

Economic Partnership – Transport, energy and fishing

Arrangements for **transport**, including aviation, road, rail and maritime; **energy**, including electricity and gas, carbon pricing and civil nuclear; and **fishing opportunities**.



Comprehensive air transport agreement



Comparable market access for road hauliers, buses and coaches



Bilateral arrangements for cross-border rail services



Arrangements for cooperation on maritime safety and security

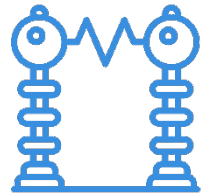


A new fisheries agreement, reflecting the UK's status as an **independent coastal state**

Mechanisms to ensure efficient trade over interconnectors



Technical cooperation between electricity and gas operators and organisations



Consideration of cooperation on carbon pricing



Nuclear Cooperation Agreement between the UK and Euratom



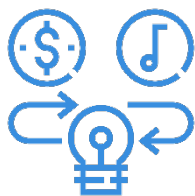
Other aspects of economic cooperation related to global cooperation, open and fair competition, intellectual property and public procurement, and mobility.



Cooperation in international fora in areas such as climate change, sustainable development, cross-border pollution, trade protectionism and financial stability.



Open and fair competition commitments commensurate to the overall relationship, covering state aid, competition, social & employment, environment, climate change & relevant tax matters.



Protection and enforcement of **intellectual property** rights beyond multilateral treaties. Mutual opportunities in **public procurement** markets beyond commitments under the GPA.



Arrangements on temporary entry and stay of natural persons for business purposes and **mobility provisions** based on non-discrimination between EU Member States and reciprocity.

Arrangements on law enforcement and judicial cooperation in criminal matters, based on a shared set of **principles and objectives**, and the nature of the **UK's commitments**.



LAW ENFORCEMENT AND JUDICIAL COOPERATION

Principles: Comprehensive and reciprocal arrangements to deliver operational capabilities for prevention, investigation, detection and prosecution of criminal offences – noting the nature of shared threats and benefits of shared cooperation.

Commitments: Recognition that the scale and scope of future arrangements will reflect the UK's commitments that respect the Union's legal order, such as alignment with rules, governance, adherence to the ECHR, and protection of the personal data.

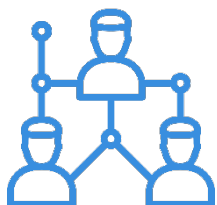
These principles and commitments will help to deliver **strong operational capabilities** – outlined in the next slide

Operational capabilities that include data exchange, practical cooperation between law enforcement and judicial authorities, and anti-money laundering and tackling terrorist financing.



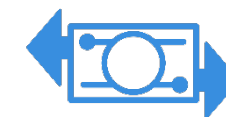
On **data exchange**, reciprocal arrangements for exchanges of passenger name record (PNR) data and of DNA, fingerprints and vehicle registration data (Prüm). Consideration of additional arrangements that include **exchange of information on wanted or missing persons and of criminal records**.

Strong **operational capabilities** for the purposes of the prevention, investigation, detection and prosecution of criminal offences; provisions for swift and effective **extradition**; and **practical cooperation**, with the view to delivering capabilities that, where possible, approximate those enabled by relevant Union mechanisms.



On **agencies**, terms for the UK's cooperation via Europol and Eurojust.

Support of international efforts to prevent and fight against **money laundering and terrorist financing** e.g. through compliance with Financial Action Task Force standards, going beyond this with regard to beneficial ownership transparency.



Security Partnership – Foreign policy, security and defence

An independent foreign policy, with arrangements for **consultation and cooperation** – for instance on sanctions, operations and missions, and defence capability development.



Close, flexible and **scalable cooperation** on external action at the bilateral and international level, including in times of crisis



Structured consultation and regular thematic dialogue; possibility for UK participation in informal Council meetings



Cooperation in third countries and international organisations; possibility for shared statements, demarches and positions



Consultation on **sanctions**, intensified exchange of information where objectives aligned, and possibility to adopt mutually reinforcing sanctions



Case-by-case participation in **missions and operations**, with interaction in planning, proportionate to UK contribution



Potential collaboration in **European Defence Agency** projects, and participation of UK entities in **European Defence Fund** projects

Security Partnership – Thematic cooperation

It will also include **thematic cooperation**, for instance in relation to cyber security, counter-terrorism, health security, civil protection and illegal migration.



Promotion of security and stability in **cyberspace** through cooperation and info exchange



Cooperation on **counter-terrorism**, countering violent extremism and emerging threats



Cooperation on **health security**, including in international fora



Cooperation on **civil protection** in respect of natural or manmade disasters



Tackling **illegal migration** through operational cooperation, dialogue and in international fora

Security Partnership underpinned by a Security of Information Agreement, with guarantees on the handling and protection of classified information, alongside provisions on sensitive non-classified information.

The future relationship will be underpinned by robust institutional arrangements, including in relation to the **structure** of the agreements, and how it will be **governed**.

STRUCTURE

Future relationship based on **an overarching institutional framework**, with the possibility for specific governance arrangements in individual areas. Possibility to review the relationship.

GOVERNANCE

Mechanisms for **dialogue** at summit, ministerial, technical and parliamentary levels. **Governance arrangements** based on those provided for in the WA, including management, supervision, implementation, the resolution of disputes and enforcement, and safeguard provisions, in full respect of the Parties' own legal orders.

There are still areas of disagreement

The outline shows the convergence achieved in recent months, on the basis of the Council guidelines and the UK's White Paper, but there are **two particularly challenging areas**.

TRADE IN GOODS

On **trade in goods**, the negotiators have agreed in principle the need for comprehensive arrangements creating a free trade area, combining deep regulatory and customs cooperation, building on the single customs territory provided for in the WA. Both sides wish to make the trading relationship as close as possible. Exactly what balance of rights and obligations will be compatible with the integrity of the EU's Single Market and Customs Union and the development of the UK's independent trade policy will be the subject of the future relationship negotiations.

INTERNAL SECURITY

On **internal security**, the negotiators have similarly agreed in principle on the need for comprehensive law enforcement and judicial cooperation in criminal matters, and identified ways of delivering strong and important operational capabilities. The negotiators have also agreed the basis on which the Union and the United Kingdom should consider further appropriate arrangements following the United Kingdom's withdrawal, compatible with the Union's legal order and the United Kingdom's future status outside that legal order.

PART IV

Conclusion and next steps

What does this mean?

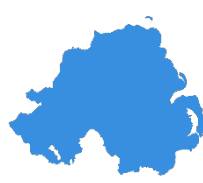
Taken together, this package would mean that the future relationship will **deliver benefits across a range of areas.**



Free trade
area for
goods



Flexibility on
services and
digital



No border NI /
Ireland or NI /
GB



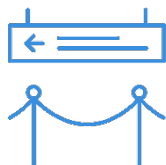
Out of the
CAP and the
CFP



End to the
jurisdiction of
CJEU in the UK



Freedom to sign
trade deals with
others



End to free
movement of
people in UK



No more vast
contributions to
the EU budget



Continued
security
cooperation



An end to the
direct effect of
EU law

The EU have called a **special European Council for 25 November** in order to agree the full political declaration. At this point, **the EU will consider the Article 50 process complete.**

There are provisions in the outline of the political declaration for how the **political declaration should then be formally translated into legally binding agreements.**

1

Preparatory organisational work **before exit day** with the aim of enabling rapid commencement of negotiations

2

Start of negotiations as soon as possible after the WA comes into force, to ensure **the future relationship can take effect by the end of the IP**

3

Development of a **clear programme to deliver this timetable**, with regular review points and progress stock takes

The draft Withdrawal Agreement also includes a **legally binding commitment** on the Parties to use best endeavours to take the necessary steps to ensure that the future relationship comes into force by the end of the IP.

Next steps in the UK

Following conclusion of the special European Council and with the political declaration finalised, the **following process** will need to be followed in the UK.

House of Commons must vote to approve the WA and political declaration before the WA can be ratified and come into effect, with a 'take note' motion in the Lords.



The WA requires domestic legislation to be implemented. **The EU (Withdrawal Agreement) Bill** will only be introduced once Parliament has approved the final deal.



The Bill must pass before 29 March 2019 in order **for the WA to have legal effect in the UK** and for the Government to ratify the WA. The WA will also be subject to the Constitutional Reform and Governance Act (CRaG) 2010.



The **future relationship will be implemented as necessary in separate legislation**, which will not be finalised until after the UK's exit from the EU.