

## BREXIT BEGINS

March 29, 2017

- I. Executive Summary: Today, UK Prime Minister Theresa May wrote to EU President Donald Tusk to activate Article 50 of the Treaty on European Union and give notification of the UK's withdrawal from the EU, to commence discussions to do so, and to propose principles and parameters for the ensuing "BREXIT" discussions, which, by the treaty's terms, must be concluded in two years. May's letter is available at <http://www.cnn.com/2017/03/29/europe/article-50-brexith-theresa-may-eu/index.html>.
- II. Takeaways: The immediate takeaways from May's letter, a genuinely historic document, are as follows:
  - a. The UK will enact legislation, to be effective upon BREXIT, to repeal the Act of Parliament that gives effect to EU law in the UK, and, when practical and appropriate, converts existing received EU law to post-BREXIT UK law;
  - b. The UK intends to negotiate BREXIT as one United Kingdom, but expects that in the post-BREXIT environment and as a result of BREXIT, devolved nations Scotland, Wales, and Northern Ireland will be granted greater self-determination powers, a clear effort to tamp down Scottish nationalist efforts for a second independence referendum while BREXIT talks are proceeding;
  - c. The UK accepts that it must leave the EU single market;
  - d. An early agreement on the rights of EU citizens residing in the UK and UK citizens residing in the EU should be reached;
  - e. A fair settlement of the UK's rights and obligations as a departing EU member state must be reached, but should include an immediate "repeal and replace" scenario, in which a post-BREXIT partnership agreement or agreements on economic and security cooperation be implemented simultaneously with the EU exit, including a comprehensive free trade agreement on goods and services, but in default of which, UK – EU trading would have to be conducted on World Trade Organization terms;
  - f. Disruption should be minimized;

- g. The land border between EU member the Republic of Ireland and Northern Ireland should remain a “soft border,” with free passage between the two, and the Northern Ireland peace process should not be disrupted;
- h. Biggest BREXIT challenges should be prioritized, but the fact that the UK and EU start negotiations in regulatory harmony should facilitate negotiations;
- i. There is arguably a very discrete swipe at US President Trump, and the Trump administration’s potential abdication from US western leadership in romanette (vii) of the letter, as well as possibly at Russia President Putin, which asserts that “Perhaps now more than ever, the world needs the liberal, democratic values of Europe.”

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