

BREXIT NEGOTIATIONS BEGIN NOW: BUSINESS MUST PREPARE



The votes have been counted and the Conservatives, who failed to maintain a majority, remain the largest party. Theresa May has confirmed that she will continue as Prime Minister and has this afternoon been invited by the Queen to form a government, working with Northern Ireland's Democratic Unionist Party.

What can we expect now?

Very few details have been released. What we do know is:

- The EU's chief negotiator, Michel Barnier, who will represent all the other 27 Member States, is keen to commence negotiations on a phased approach (see below) in earnest on 19 June – almost a year to the day on which the referendum was held. The phased approach was resisted by the government, which prefers to deal with all the issues together.

- The talks will commence on a fairly fractious footing. Due to Purdah¹ the UK was unable to enter into pre-negotiating scoping out talks which was viewed as obstructive behaviour by the EU. The EU and UK are entrenched in opposite positions on the discussion of, and agreement to, an exit payment of €100 billion (approx £85.8 billion).

- Where disputes arise between the EU and the UK, there is a question whether these should be resolved by the Court of Justice of the European Union (ECJ) – an interesting dynamic from the UK's perspective.

What does this mean for you?

Businesses still need to plan and structure themselves without knowing the outcome of the negotiations.

For some regulated businesses contingency planning is already required by their regulators, for example banks, insurers, and designated

¹ Purdah is the period between the calling of a general election and the final result of the election, during which time the ruling party is prevented from acting on any initiative that may give them an advantage in the election.



investment firms engaging in UK/EU cross border activities are required to submit contingency plans to the Bank of England by next month.

In light of this, we maintain our advice that businesses should, and as in the above cases must, continue with their contingency plans, to include a review of:

- Opportunities and risks.
- Regulatory requirements.
- Passporting requirements.
- Employment issues.
- Contracts, including dispute resolution clauses; and commercial relationships.

We offer a Brexit contracts review and training session, please see further details on [Our Clear Thinking Around Brexit brochure](#). You can find further information on Brexit and the impact upon your business at our dedicated web page: <http://www.hfw.com/Brexit>, alternatively please contact our Brexit Steering Group on brexit@hfw.com.

The EU's Proposed Agenda and the Timescales:

Phase 1 from June – December 2017

Negotiations to include:

- Citizens' rights (those of the 3.5 million EU nationals in the UK and the 1.2 million UK citizens living on the continent).
- The exit bill to cover the UK's outstanding EU commitments.
- An Irish border.
- Gibraltar.

Phase 2 December 2017 – March 2018

Negotiations to include:

- Talks on future trade deals.
- Transition arrangements until these are agreed some time in the future, almost certainly post March 2019.

24 September 2017

The German election: this is likely to impact on the scope and structure of the talks, especially if Angela Merkel does not retain power.

29 March 2019

- Unless an extension of time is agreed by all EU Member States or there is a change in the UK's policy on Brexit, the UK will leave the EU, whether or not a deal has been reached.
- If no deal for trade is in place, it may mean that the UK's trade relationships will follow the WTO model.

Post March 2019

There will likely be an implementation period before the new arrangements take effect.



For more information, please contact the authors of this briefing:

Brian Perrott

Partner, London
T: +44 (0)20 7264 8184
E: brian.perrott@hfw.com

Anthony Woolich

Partner, London
T: +44 (0)20 7264 8033
E: anthony.woolich@hfw.com

Nicola Gare

Professional Support Lawyer
T: +44 (0)20 7264 8158
E: nicola.gare@hfw.com

As the new legal landscape begins to take shape we can help you to steer your business through the challenges and new opportunities that these changes will inevitably bring.

If you would like to discuss the consequences of Brexit on your business or organisation in more detail, please contact those listed below, or your usual contact within HFW.

Aerospace

Sue Barham

Consultant, London
T: +44 (0)20 7264 8309
E: sue.barham@hfw.com

Commodities

Brian Perrott

Partner, London
T: +44 (0)20 7264 8184
E: brian.perrott@hfw.com

**Competition, Trade, Regulation,
Energy, Resources**

Anthony Woolich

Partner, London
T: +44 (0)20 7264 8033
E: anthony.woolich@hfw.com

Corporate

Giles Beale

Partner, London
T: +44 (0)20 7264 8585
E: giles.beale@hfw.com

Dispute Resolution

Damian Honey

Partner, London
T: +44 (0)20 7264 8354
E: damian.honey@hfw.com

Employment

Simon Clark

Partner, London
T: +44 (0)20 7264 8054
E: simon.clark@hfw.com

Finance

John Forrester

Partner, London
T: +44 (0)20 7264 8134
E: john.forrester@hfw.com

Stephen Marais

Partner, London
T: +44 (0)20 7264 8407
E: stephen.marais@hfw.com

Financial Services

Robert Finney

Partner, London
T: +44 (0)20 7264 8343
E: robert.finney@hfw.com

Insolvency

Rick Brown

Partner, London
T: +44 (0)20 7264 8461
E: rick.brown@hfw.com

Insurance & Reinsurance

Richard Spiller

Partner, London
T: +44 (0)20 7264 8770
E: richard.spiller@hfw.com

Shipping

Toby Stephens

Partner, London
T: +44 (0)20 7264 8366
E: toby.stephens@hfw.com

Lawyers for international commerce

hfw.com

© 2017 Holman Fenwick Willan LLP. All rights reserved

Whilst every care has been taken to ensure the accuracy of this information at the time of publication, the information is intended as guidance only. It should not be considered as legal advice.

Holman Fenwick Willan LLP is the Data Controller for any data that it holds about you. To correct your personal details or change your mailing preferences please contact Souhir Jemai on +44 (0)20 7264 8415 or email souhir.jemai@hfw.com

Houston São Paulo London Paris Brussels Geneva Piraeus Beirut Riyadh Kuwait Dubai
Singapore Hong Kong Shanghai Perth Melbourne Sydney