

Regulatory News Alert

Brexit: Draft Withdrawal Agreement between the European Union and the United Kingdom

13 March 2018

On 28 February, the European Commission published the [draft Withdrawal Agreement between the European Union and the United Kingdom](#).

This draft agreement on the UK's withdrawal from the European Union consists of six parts and a protocol on the following topics:

- **Introductory provisions** (Objectives, definitions, scope, and methods)
- **Citizens' rights** (rights related to residence, residence documents, rights of workers and self-employed persons, professional qualifications, coordination of social security systems)
- **Separation provisions** (Goods placed on the market before the withdrawal date, ongoing customs procedures, ongoing value-added tax and excise duty matters, intellectual property, ongoing police and judicial cooperation, data and information processed or obtained before the end of the transition period, or on the basis of this agreement, ongoing public procurement and similar procedures, Euratom, union judicial and administrative procedures)
- **Transitional arrangements** such as the possibility for EU authorities to suspend certain benefits deriving for the United Kingdom from participation in the internal market.
- **Financial settlement** clarifying the UK's contribution and participation for 2019 and 2020 and provisions applicable after 31 December 2020.
- **Institutional provisions**, including a dispute settlement title providing that the European Court of Justice will continue to have full jurisdiction over the United Kingdom throughout the transition period, and will serve as the ultimate authority when it comes to interpreting and applying the withdrawal agreement.
- **Protocol on Ireland / Northern Ireland** outlining a plan for keeping Northern Ireland in the customs union if no other solutions to avoid a hard border in Ireland are found.

The draft agreement will now be discussed by the Council and with the Brexit Steering Group of the European Parliament before being transmitted to the United Kingdom for negotiation. A final version of the Withdrawal Agreement should be established by the European Union and the United Kingdom by October 2018. Meanwhile, the European Council is expected to adopt additional guidelines in March 2018 regarding the future relationship between the UK and the EU.

However, the UK Prime Minister Theresa May just gave her verdict on the EU's draft withdrawal deal stating, "No UK Prime Minister could ever agree to it."

With this draft Withdrawal Agreement, major divergences subsist, notably on citizens' rights, the border between Ireland and Northern Ireland, as well as on the status of the European Court of Justice.

With the hard-liner position of the European Commission, the upcoming negotiations will surely be lengthy and difficult.

How can Deloitte help?

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- Service Provider Selection & Due Diligence
- KPIs definition and dashboard implementation
- Marketing & Commercial strategy
- CSSF License Application and substance requirement
- IT Strategy
- Market research & analysis

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