

EU warns of impact of Brexit on rest of Europe



(BRUSSELS) – The EU Commission warned Thursday of the repercussions of Brexit for citizens and businesses in both the United Kingdom and the EU, as it prepares for all outcomes of the United Kingdom's exit from the EU.

As the EU's chief Brexit negotiator Michel Barnier welcomed the UK's new Secretary of State for Exiting the European Union Dominic RAAB to the Commission, the EU executive issued a Communication outlining the impact on the rest of the EU if the United Kingdom leaves the EU and becomes a third country on 30 March 2019.

There is no certainty that there will be a ratified withdrawal agreement in place on that date, or indeed what it will entail, and the Commission says it has been working hard to try to ensure that the EU institutions, Member States and private parties are prepared for the UK's withdrawal.

Repercussions range from new controls at the EU's outer border with the UK, to the validity of UK-issued licences, certificates and authorisations and to different rules for data transfers.

The EU executive's Communication, which follows a request by the European Council (Article 50) last month to intensify preparedness at all levels and for all outcomes, calls on Member States, and private parties, to step up their preparations.

While the EU is working to ensure an orderly withdrawal, the Commission makes clear that the UK's withdrawal will undoubtedly cause disruption – for example in

business supply chains – whether or not there is a deal.

It also makes clear that, even if an agreement is reached, the UK will no longer be a Member State after withdrawal and will no longer enjoy the same benefits as a member. Therefore, it says, preparing for the UK becoming a third country is of paramount importance, even in the case of a deal between the EU and the UK.

The Commission says that everyone – including economic operators and other private parties – must now step up ‘preparations for all scenarios and take responsibility for their specific situation’.

Stakeholders, as well as national and EU authorities, need to prepare for two possible main scenarios:

- If the Withdrawal Agreement is ratified before 30 March 2019, EU law will cease to apply to and in the UK on 1 January 2021, i.e. after a transition period of 21 months.
- If the Withdrawal Agreement is not ratified before 30 March 2019, there will be no transition period and EU law will cease to apply to and in the UK as of 30 March 2019. This is referred to as the “no deal” or “cliff-edge” scenario.

Over the past year, the Commission has screened the entire Union ‘acquis’ (body of EU law) to examine whether any changes are needed in light of the UK’s withdrawal. To that effect, the Commission has adopted (and will adopt whenever necessary) specific, targeted legislative proposals to ensure that EU rules continue to function smoothly in a Union of 27 after the UK’s withdrawal.

The Commission has also published over 60 sector-specific preparedness notices to inform the public about the consequences of the UK’s withdrawal in the absence of any withdrawal agreement. Finally, by 30 March 2019 the two London-based agencies – the European Medicines Agency and the European Banking Authority – as well as other UK-based bodies, like the Galileo Security Monitoring Centre, will be leaving the UK and a number of tasks performed by UK authorities will also have to be reassigned away from the UK.

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