

# CULTURE, TOURISM, EUROPE & EXTERNAL RELATIONS COMMITTEE

#SPICeBrexitWeekly

Issue 7

24 October

2016

# BREXIT UPDATE

SPICe weekly update

**THERESA MAY'S FIRST EUROPEAN COUNCIL MEETING**

**SCOTTISH GOVERNMENT MINISTERS IN BRUSSELS**

**UK PARLIAMENT DEBATES THE RIGHTS OF EU NATIONALS**

**SPICe**

The Information Centre  
An t-Ionad Fiosrachaidh

Written by Iain McIver, SPICe Research



The Scottish Parliament  
Pàrlamaid na h-Alba

# Contents

Theresa May's first European Council meeting	1
UK Government Cabinet sub-committees confirmed	2
Joint Ministerial Committee meeting	3
The Welsh Government's red line – tariffs	5
The Comprehensive Economic Trade Agreement with Canada	5
Scottish Government Ministers in Brussels	6
Scottish Government Ministers meet Brexit Secretary	6
Demands for a Commons vote on Article 50	7
UK Parliament debates the rights of EU nationals	7
House of Lords EU Cttee Report on parliamentary scrutiny of Brexit	8
The key findings of the report are:	8
UK Parliament's response to the decision to leave the European Union	8
Article 50 legal challenge	10
The nature of the UK's future relationship with the EU	11

## About this paper

This regular paper produced by SPICe sets out developments in the UK's negotiations to leave the European Union which are expected to formally begin early in 2017.

Ahead of the UK Government's triggering of Article 50, the updates will provide information on the UK Government's approach to leaving the EU, along with details of the Scottish Government and the other Devolved Administrations positions. The updates will also provide information on developments within the EU with regard to the UK's departure. Finally the update will provide information on the key issues likely to be at play during the negotiations and in developing the UK's future relationship with the European Union.

As was clear during the referendum campaign and since the decision to leave the EU was taken, there is an abundance of information and analysis available, and this SPICe paper will try to cover the key issues by drawing on that information and analysis. This week's update includes details of the creation of a UK Government Cabinet sub-committee on Brexit and a speech by the President of the European Council.

## Theresa May's first European Council meeting

---

Prime Minister Theresa May attended her first European Council<sup>i</sup> in Brussels from 20-21 October. Items of discussion included migration and trade. On trade, the [Council Conclusions](#) focussed on the state of play in the negotiations for a Free Trade Agreement with Canada and encouraged further progress on trade agreements with Japan and the United States of America.

The UK's decision to leave the European Union was not referenced in the Council Conclusions and it was not formally discussed during the Council meeting. It was [reported](#) that the Prime Minister spoke about Brexit during the Council dinner on the Thursday evening.

Following the Council meeting the Prime Minister made a [statement](#) to the media on the issues that had been discussed. In the statement she said the meeting had been an opportunity to talk to the other 27 Member State Governments about Brexit and to "make clear that Britain will continue to play a full and active role inside the EU until we leave" and once the UK has left it will continue to work closely with its "European friends and allies". On the Brexit discussions at the Council, the Prime Minister said:

*"The UK is leaving the EU but we are not leaving Europe – and we are not turning our backs on our friends and allies.*

*While we have not yet formally started the exit negotiations, here at this summit I have been clear that my aim is to cement Britain as a close partner of the EU once we have left.*

*Yes, the United Kingdom will be a fully independent, sovereign country, free to make our own decisions on a whole host of different issues such as how we choose to control immigration.*

*But we still want to trade freely – in goods and services – with Europe. And the UK will continue to face similar challenges to our European neighbours. We will continue to share the same values. And so I want a mature, co-operative relationship with our European partners.*

*I recognise the scale of the challenge ahead. I am sure there will be difficult moments. It will require some give and take.*

*But I firmly believe that if we approach this in a constructive spirit – as I am – then we can deliver a smooth departure and build a powerful new relationship that works both for the UK and for the countries of the EU – looking for opportunities, not problems.*

*That is in British interests. And it is in the interests of all of our European partners too."*

---

<sup>i</sup> The European Council is the meeting of the 28 European Union Member States Heads of State and Government.

On trade issues, the Prime Minister said the UK will continue to support EU efforts to promote free trade whilst it remains a member of the EU and she stated that the UK will use the period before it leaves the EU to negotiate trade agreements with third parties:

*“As we prepare to leave the EU, I have been clear that the UK is discussing our future trading relationships with third countries.*

*This will not undermine the EU’s trade agenda. It is not even in competition with it: we will continue to help the EU reach these important trade agreements.*

*It is about seizing the opportunities of Brexit and about forging an ambitious and optimistic new role for Britain in the world.”*

Following her statement, the Prime Minister took questions from the media. In response to a question from the BBC’s Political Editor Laura Kuenssberg about whether the EU27 would continue to listen to the UK in the period before it leaves the EU the Prime Minister said:

*“I’ve been clear with everybody that I’ve spoken to – individual leaders that I’ve spoken to, but also sitting around the table here in Brussels – that as long as we’re members of the European Union, we will continue to meet our rights and obligations as members of the European Union. And that has been welcomed, and I think that is the right spirit and approach to take with this.*

*Of course, the 27 will have to take discussions among themselves. We will be, as I’ve said, in the first quarter of next year invoking Article 50. There will be a process for the 27 to consider how they are going to conduct the negotiations. But we will continue to play our role, as I have done sitting around the table today. I can assure you that I haven’t been backwards in coming forwards on issues.”*

On the kind of future relationship the UK might seek with the EU, the Prime Minister referred to an agreement which includes the trade of goods and services:

*“we’ve got a very clear position on this, which is that we want to have the best possible deal for trading goods and services with – and operation within – the single European market. Now, as I have also said, I think we need to look at this in a new way, which is saying what we will be doing is, when the United Kingdom leaves the European Union, it will be having a different relationship with the EU from the relationship that it has as a member of the European Union. And so what we will be doing is negotiating that new relationship with the EU. As I say, we want the best possible deal to maximise our ability to trade with and operate within the European market, and that covers both goods and services.”*

## **UK Government Cabinet sub-committees confirmed**

---

As reported in last week’s [update](#), the UK Government has now officially [confirmed the membership of all cabinet sub-committees](#) including the European Union exit and trade committee. The remit of the Committee is “To oversee the negotiations on the withdrawal from the European Union and formation of a new relationship between the United Kingdom and the European Union; and policy on international trade”. The membership of the Committee is:

- Theresa May (Prime Minister)
- Boris Johnson (Foreign Secretary)
- Philip Hammond (Chancellor)
- Amber Rudd (Home Secretary)
- Liam Fox (International Trade Secretary)
- David Davis (Brexit Secretary)
- Damian Green (Work and Pensions Secretary)
- Greg Clark (Business Secretary)
- Priti Patel (International Development Secretary)
- Chris Grayling (Transport Secretary)
- Andrea Leadsom (Environment Secretary)
- Patrick McLoughlin (Conservative Party chairman)

The Scottish Secretary will attend as required.

There is also a European Union Exit and Trade (European Affairs) sub-committee. The remit of this committee is “To consider issues relating to day-to-day European Union business.” The sub-committee will be chaired by the Chancellor of the Duchy of Lancaster, Patrick McLoughlin and membership includes the Chancellor of the Exchequer, the Home Secretary, the Foreign Secretary, the Secretary of State for Exiting the European Union, the Secretary of State for International Trade and the Secretaries of State for Scotland, Wales and Northern Ireland.

## **Joint Ministerial Committee meeting**

---

On 24 October, the first Joint Ministerial Committee (JMC) meeting since the European referendum (and first JMC for two years) will take place. The Joint Ministerial Committee is a meeting of the UK Government and the three Devolved Administrations; it is usually chaired by the Prime Minister.

Ahead of the meeting, the UK Government issued a [press release](#) stating that the devolved administrations will “be offered the chance of a direct line to the Brexit secretary to allow them to help shape the UK’s EU exit strategy”. The press release states the Prime Minister made the offer of a new official forum, to be chaired by David Davis, to the leaders of Scottish, Welsh and Northern Irish governments.

The new forum would be a sub-committee of the JMC to be known as the Joint Ministerial Committee (EU Negotiations) chaired by the Brexit Secretary and attended by nominees put forward by the devolved governments. If constituted, the sub-committee will meet once before the end of November and at least once more before Christmas. According to the Prime Minister:

*“The new forum I am offering will be the chance for them (the Devolved Administrations) all to put forward their proposals on how to seize the opportunities presented by Brexit and deliver the democratic decision expressed by the people of the UK.”*

On the negotiations for the UK's departure from the EU, according to the Press Release:

*“The Prime Minister is expected to say that, contrary to some speculation, no final decisions have been taken and that how the UK leaves the EU will not boil down to a binary choice.*

*And she will tell Nicola Sturgeon, Carwyn Jones, Arlene Foster and Martin McGuinness that she and Brexit secretary David Davis will listen to any proposals made.”*

Ahead of the JMC, [Scotland's First Minister wrote to the Prime Minister](#) calling for the UK Government to produce a clearly mapped out programme of involvement, supported by a detailed timeline, to ensure that a negotiating position is agreed that truly reflects the different views across the UK. The First Minister's letter supports the call by the Welsh First Minister Carwyn Jones. The letter states:

*“Carwyn Jones is right to highlight that, although the referendum results varied across the UK, with England and Wales voting to leave, whilst Scotland and Northern Ireland voted to remain, we have a collective interest in seeing your commitment that the Devolved Administrations should be fully engaged in EU discussions and that you will not be triggering Article 50 until we have an agreed UK approach and objectives for negotiations, delivered in a full and meaningful fashion.*

*It will not be acceptable for the devolved administrations to simply be consulted on UK Government plans. We must have meaningful input into the decision making structure and the formation of negotiating positions.*

*To ensure that is the case and given the timing you have now set out for Article 50 notification, I endorse in particular Carwyn's point that the UK Government needs to urgently produce a clearly mapped out work programme of involvement with the Devolved Administrations, supported by a rigorous timeline, to ensure progress keeps pace with the requirement to agree a UK position.*

*While there are some areas, such as continued UK participation in the single market, on which all 3 Devolved Administrations will agree, the UK position will also need to take account of the specific needs, responsibilities and priorities of each administration as part of the overall UK package. To ensure those are properly reflected and the stated position of all parts of the UK as a partnership of equals is respected, I also endorse the proposal that the proposed negotiating package should be subject to a vote in each of the four of the United Kingdom's parliaments and assemblies.”*

On 23 October, the Scottish Government published a [news release](#) stating that the First Minister and the Minister for UK Negotiations on Scotland's Place in Europe will make clear that “Scotland must be treated as an equal partner in the UK's negotiations with the European Union” when they attend the JMC meeting in London. The news release also calls for clarity from the UK Government on its proposals for leaving the EU and “the views of people in Scotland will be taken into account”.

## **The Welsh Government's red line – tariffs**

---

[Speaking on BBC Wales Sunday Politics](#) ahead of the JMC, the Welsh First Minister Carwyn Jones said the Welsh Government's red line on the Brexit negotiations was the introduction of tariffs on Welsh exports. The First Minister told the BBC that companies based in Wales should not have any financial barriers to dealing with the European market. He also said Theresa May's negotiating position with EU leaders would be more difficult if she didn't have the support of every part of the UK.

## **The Comprehensive Economic Trade Agreement with Canada**

---

The proposed trade agreement between the European Union and Canada which took seven years to negotiate has hit a snag at the ratification stage as a result of the [Walloon Parliament's decision](#) not to support the deal. The Comprehensive Economic and Trade Agreement (CETA) required ratification at both EU and member state level. In Belgium, agreements which relate to devolved competencies require ratification at the regional legislature level. In its consideration of CETA, the Walloon Parliament decided not to support the agreement.

The decision of the Walloon Parliament on 14 October appears to have delayed the planned signing ceremony scheduled for 27 October. Negotiators have sought to find a solution to allow CETA to be ratified and come into force leading to CETA being a focal point of discussions at last week's European Council with the Walloon Prime Minister Paul Magnette invited to meet with EU leaders and the Canadian Trade Representative Chrystia Freeland. Despite discussions, no agreement has been found, so at this stage delaying ratification of the final agreement.

It has been suggested that the Walloonian Parliament's decision on CETA is an indication of the difficulties the UK will face in negotiating a new trading relationship with the EU which may require both EU and Member State ratification. On this issue, the Prime Minister told the [press conference](#) after the European Council meeting:

*“Well, on CETA, obviously, as you're aware, the Walloon Parliament has been looking at this particular issue. I understand that discussions are continuing and negotiations are continuing. I think that it's important that the EU is able to sign this trade deal with Canada. As you say, it's been a long time in the making, and I think that it can be signed. But the discussions, as I understand it, are continuing on that particular issue.*

*From the UK's point of view, we're not looking to replicate a model that another country has. We're not looking to adopt another model that somebody else has in relation to their trade with the European Union. What we want is to develop what is a new relationship for the UK when we're outside the EU. What we want is to ensure that we have the right deal for the United Kingdom.*

*And I'm optimistic about that. Obviously, we've got negotiations ahead of ourselves. Those negotiations will take time, as I say, there will be some difficult moments. It will need some give and take. But I'm optimistic that we can achieve a*

*deal that is right for the UK because I actually think the deal that's right for the UK will also be right for the European Union."*

The BBC's economics correspondent [Andrew Walker suggested](#) an obvious lesson from the CETA delay for Brexit was that it may be difficult for the EU in the future to implement trade and investment deals. That said, Andrew Walker also suggested that the UK might have more success in negotiating future trade agreements with non-EU countries once it has left than the EU will have as a result of the EU's required procedures for implementation.

## **Scottish Government Ministers in Brussels**

---

On 19 October, the Scottish Government's Cabinet Secretary for External Affairs Fiona Hyslop and Minister for UK Negotiations on Scotland's Place in Europe Michael Russell visited Brussels for meetings with Members of the European Parliament and a briefing at Scotland House.

According to the [Scottish Government](#), the visit was the first time Michael Russell had visited Brussels in his new role, and came "after weeks of in-depth negotiations with stakeholders right across Europe".

Following the meetings, Michael Russell hosted an open-door discussion with over 130 audience members, including Scots working and living in Brussels, stakeholders from member states and further afield, representatives from the EU institutions, and Brussels-based media. The stakeholder audience was made up from representatives from countries including Hungary, Slovakia, the United States of America, New Zealand, the Faroe Islands, Channel Islands, Japan, Croatia and Norway.

## **Scottish Government Ministers meet Brexit Secretary**

---

On 21 October, the UK Government's Secretary of State for Exiting the EU [visited Scotland](#) and met with his Scottish Government counterpart Michael Russell. According to the BBC:

*"Speaking at Strathclyde University in Glasgow, Mr Davis said while it has "got to be a United Kingdom deal", it would "incorporate protection for the people of Scotland".*

He also said the eventual agreement would *"reflect the interests of the people of Scotland"*.

Mr Davis stated: *"The aim is to get the maximum possible barrier-free access to the European Union market, as well as being able to get other markets globally.*

*"How we achieve that? We're not at that stage yet, but that's the aim."*

The Secretary of State also responded to calls for the Scottish Parliament to be given powers over immigration saying it was "hard to see how a separate immigration policy would work".



During his visit to Scotland, David Davis also met with [business leaders from across Scotland](#) at Strathclyde University. According to the University the roundtable event hosted by Strathclyde's International Public Policy Institute allowed business to express views about the challenges and opportunities for business since the referendum.

## **Demands for a Commons vote on Article 50**

Last week's [update](#) provided details of the House of Commons opposition debate on [Parliamentary Scrutiny of the UK leaving the EU](#). Following the debate, the shadow Brexit Secretary [Sir Keir Starmer wrote](#) to the Secretary of State, David Davis on 20 October calling on the Government to publish a timetable setting out its plans for Britain's withdrawal from the EU. The letter, published on LabourList states:

"I welcome the Government's commitment last Wednesday in the House of Commons that, and I quote: "there should be a transparent debate on the Government's plans for leaving the EU".

I also welcome your commitment during the debate that the House of Commons will "have at least the information available to the European Parliament" during negotiations, mirroring the 2010 framework agreement between the European Commission and the European Parliament that "Parliament shall be immediately and fully informed at all stages of the negotiation and conclusion of international agreements, including the definition of negotiating directives".

In order for the Government to keep these commitments and to help build a national consensus on Brexit, it is vital that its plans outlining the basic terms of the proposed Brexit deal are published in sufficient time to allow proper scrutiny.

I am therefore writing to you today to urge you to outline the Government's intended timetable for publishing its basic plans for Brexit."

The shadow secretary of state also stated that his party intended to push for a vote in Government time on its plans for exiting the EU and that the vote should take place before Article 50 is triggered as "a vote at the end of the exercise is no substitute. By then, the negotiations will be over and Parliament will have had no say or influence in the process".

## **UK Parliament debates the rights of EU nationals**

On 19 October, the House of Commons held an SNP proposed debate on the rights of EU nationals. The debate was moved by Shadow SNP Justice and Home Affairs spokesperson, Joanna Cherry. The Minister for Immigration, Robert Goodwill, responded on behalf of the Government.

The motion put before the House was:

"That this House recognises the contribution that nationals from other countries in the EU have made to the UK; and calls on the Government to ensure that all nationals from other countries in the EU who have made the UK their home retain

their current rights, including the rights to live and work in the UK, should the UK exit the EU.”

Following [the debate](#), the motion was defeated by 293 votes to 250.

## **House of Lords EU Committee Report on parliamentary scrutiny of Brexit**

---

On 20 October, the House of Lords European Union Committee published its report into [Brexit: Parliamentary Scrutiny](#). The report “builds on undertakings by the Secretary of State for Exiting the EU, Rt Hon David Davis MP, that the Westminster Parliament would have at least the same level of access to information during the negotiations as the European Parliament. The Committee explains just what this will mean in practice.”

The key findings of the report are:

- It would be in the interests of Government, Parliament and the public for Parliament to vote on the Government's Brexit negotiation guidelines before Article 50 is triggered.
- Too much is at stake – including many key aspects of domestic policy – for Ministers and officials to be allowed to take decisions behind closed doors, without parliamentary and democratic scrutiny.
- Allowing Parliament to provide timely and constructive commentary throughout the negotiations would increase the likelihood of Parliament and the public accepting the final deal.

## **UK Parliament's response to the decision to leave the European Union**

---

The UK Parliament has confirmed the establishment of two scrutiny committees to examine the work of the Department for Exiting the EU led by David Davis and the Department for International Trade led by Liam Fox. The Exiting the EU Committee will be chaired by Labour's Hilary Benn MP whilst the International Trade Committee will be chaired by the SNP's Angus MacNeil.

The Institute for Government has published two blogs by Hannah White examining [Parliament's role in the Brexit negotiations](#) and why [A 'supersize committee' could hamper Parliament's scrutiny of Brexit](#).

A number of Committees in both the House of Commons and House of Lords have established inquiries linked to the UK's decision to leave the European Union. Upcoming Brexit related work includes:

The Scottish Affairs Committee will continue its [inquiry into Scotland's place in Europe](#) on 24 October with a meeting in Glasgow where the Committee will take evidence from representatives of key sectors, including the Scottish Fishermen's Federation, National Farmers' Union Scotland, Scottish Trades Union Congress, Royal College of

Nursing and the Scottish Food and Drink Federation. The meeting will be held in The Buchanan Suite, Glasgow Royal Concert Hall.

On 25 October, the House of Lords European Union Committee will take evidence from two former Taoisigh (Irish Prime Ministers) as it continues its inquiry on [Brexit: UK-Irish relations](#). Both John Bruton, Former Taoiseach of Ireland (1994-1997) and Bertie Ahern, Former Taoiseach of Ireland (1997-2008) will give evidence on a range of topics including the implications of Brexit for existing relationships between UK and Irish Governments. The evidence session will be broadcast on [Parliament TV](#).

On 26 October, the European Scrutiny Committee will take evidence from the Rt Hon David Jones MP, Minister of State, Department for Exiting the European Union as part of their inquiry into [EU-UK relations in preparation for Brexit](#). The Committee will hear how “the referendum result has affected the way in which the UK now negotiates with Brussels and how, for the time being, any new EU legislation will be scrutinised and debated in the run up to the UK leaving the EU”. The evidence session will be broadcast on [Parliament TV](#).

Also on 26 October, the House of Lords EU Energy and Environment Sub-Committee will hold its first evidence session for its newly launched inquiry into [Brexit: environment and climate change](#). The inquiry begins with a public meeting at which experts will give evidence on how environmental protection can be enforced when the UK leaves the EU and what impact the Great Repeal Bill may have on the environmental sector. The Committee will also hear from NGOs about the future of environmental protection after Brexit.

On 27 October, the House of Lords EU Internal Market Sub-Committee will continue its [Brexit: future trade between the UK and EU in services inquiry](#) by taking evidence from experts in the legal, engineering and aviation industries. The evidence session will be broadcast on [Parliament TV](#).

On-going Brexit related work in the UK Parliament includes:

- [House of Commons European Scrutiny Committee Post Referendum Consultation](#)
- [House of Commons Scotland Affairs Committee Scotland’s Place in Europe](#)
- [House of Commons Welsh Affairs Committee Implications for Wales of the EU Referendum Result](#)
- [House of Commons Public Administration and Constitutional Affairs Committee Lessons Learned from the EU Referendum](#)
- [House of Commons Environmental Audit Committee The Future of the Natural Environment after the EU Referendum](#)
- [House of Commons Energy and Climate Change Committee Leaving the EU: Implications for UK Energy Policy](#)
- [House of Commons Brexit and health and social care inquiry](#)
- [House of Lords European Union Committee Brexit: UK-Irish Relations](#)
- [House of Lords European Union Committee Brexit: Parliamentary Scrutiny Inquiry](#)

- [House of Lords EU External Affairs and EU Internal Market Sub-Committees Brexit: future trade between the UK and the EU inquiry](#)
- [House of Lords EU Internal Market Sub-Committee Brexit: future trade between the UK and EU in services inquiry](#)

The [sub-committees](#) of the House of Lords European Union Committee are also conducting a number of evidence sessions following the UK's decision to leave the EU including:

- [Fisheries Policy after Brexit](#)
- [Brexit implications for environment policy examined by committee](#)
- [Brexit implications for energy and climate change policy](#)
- [Brexit and Financial Services](#)
- [Brexit: environment and climate change](#)

The UK Parliament has also produced [impartial analysis](#) of the UK's referendum for remaining in or leaving the European Union. This page sets out useful research on the impact of Brexit on key policy areas. It also explains the process for leaving the EU.

## **Article 50 legal challenge**

---

Over the last two weeks, the Brexit update has provided details of the on-going court cases challenging the right of the UK Government to rely on the Royal Prerogative to trigger Article 50 without the consent of Parliament.

The court hearing for the case brought by lead claimant Gina Miller began on Thursday 13 October and continued into last week concluding on Tuesday 18 October. The Courts and Tribunals Judiciary have published the [transcript](#) from all three days of the hearing.

The UK Constitutional Law Association has published blogs by Robert Craig outlining each of the three days events.

- [Day One](#)
- [Day Two](#)
- [Day Three](#)

The BBC has also produced a [detailed summary](#) of the three day case. At the conclusion of the case the judge, Lord Thomas said he and his fellow judges "shall take time to consider the matter and give our judgements as quickly as possible".

## The nature of the UK's future relationship with the EU

---

A [report in the Guardian](#) newspaper published on 18 October suggested the Government's cabinet sub-committee for European Union exit and trade had considered a paper outlining the implications of leaving the single market. According to the Guardian:

“Cabinet ministers have been given detailed warnings that the UK pulling out of the EU customs union could lead to a 4.5% fall in GDP by 2030 and the clogging up of trade through Britain's ports.

The predictions were contained in a paper circulated at a meeting of Theresa May's special Brexit cabinet committee, which concluded that ministers were not yet prepared to decide whether the UK should withdraw from the EU's free trade bloc.

The 4.5% cut is the average prediction made in three studies that were carried out before Britain's EU referendum, in a move that could anger Brexit supporting MPs who believe that the old estimates are out of date.

The studies, by the Treasury, the thinktank NIESR and the Centre for Economic Performance and London School of Economics, predicted the effect on the British economy if the UK was to opt for a Norway-style model. That would involve remaining inside the single market but outside the customs union, within which countries set common external tariffs and so do not require customs checks.”

In another development, [Bloomberg reported](#) that the US Chamber of Commerce has “warned the British government that it must maintain full “unfettered” access to the European market in Brexit negotiations if it is to retain almost \$600 billion that U.S. companies have invested in the U.K”.

The article refers to a US Chamber of Commerce report published on 18 October on [The Future of UK-EU Relations: Priorities of the U.S. Business Community](#). The report outlines United States businesses interest in Brexit stating:

“Though the United States has no direct role as London resets its relationship with Brussels, the American business community has a significant stake in the outcome. U.S. firms' investments in Britain are worth nearly \$590 billion, employing roughly 1.2 million Britons directly and millions more indirectly. Many of those investments were made to reach both British and other European consumers. U.S. subsidiaries in the rest of Europe are equally interested in seeing minimal disruption to their supply chains and business ties across the Channel.”

The report outlines seven priorities for the UK-EU negotiations. These are:

1. Market Access: The UK should retain unfettered access to the European market in goods and services.
2. Labor Movement: The British government should be mindful of the “skills gap” that currently saps the competitiveness of industry and craft policies on the movement of labor accordingly.

3. Financial Services: Firms should retain the right to provide services from the UK to customers across Europe, and to continue to trade in Euro denominated derivatives.
4. Regulation: The UK and EU should arrange for Britain to continue to participate in certain common regulatory arrangements where appropriate.
5. Data: The UK and EU should implement consistent data protection legislation to ensure the free movement of data between the UK and Europe.
6. Tax Policy: The UK should implement transparent and predictable corporate tax policies that will continue to foster foreign investment.
7. Transition Measures

**Iain McIver | SPICe Research**

**SPICe** The Information Centre  
An t-Ionad Fiosrachaidh

## Scottish Parliament Information Centre (SPICe)

Scottish Parliament Information Centre (SPICe) Briefings are compiled for the benefit of the Members of the Parliament and their personal staff. Authors are available to discuss the contents of these papers with MSPs and their staff who should contact Iain McIver on extension 85294 or email [iain.mciver@parliament.scot](mailto:iain.mciver@parliament.scot). Members of the public or external organisations may comment on this briefing by emailing us at [SPICe@parliament.scot](mailto:SPICe@parliament.scot). However, researchers are unable to enter into personal discussion in relation to SPICe Briefing Papers. If you have any general questions about the work of the Parliament you can email the Parliament's Public Information Service at [sp.info@parliament.scot](mailto:sp.info@parliament.scot).

Every effort is made to ensure that the information contained in SPICe briefings is correct at the time of publication. Readers should be aware however that briefings are not necessarily updated or otherwise amended to reflect subsequent changes.

Published by the Scottish Parliament Information Centre (SPICe), an office of the Scottish Parliamentary Corporate Body, The Scottish Parliament, Edinburgh, EH 99 1SP.

[www.parliament.scot](http://www.parliament.scot)

This paper was written by Iain McIver, SPICe Research.

## Culture, Tourism, Europe and External Relations Committee

Keep up to date with the Committee via the following links:



[www.parliament.scot/europe](http://www.parliament.scot/europe)



[europe@parliament.scot](mailto:europe@parliament.scot)



[@SP\\_European](https://twitter.com/SP_European)



[YouTube](https://www.youtube.com)

**#SPICeBrexitWeekly**

**SPICe** The Information Centre  
An t-Ionad Fiosrachaidh

## Scottish Parliament Information Centre (SPICe)

Scottish Parliament Information Centre (SPICe) Briefings are compiled for the benefit of the Members of the Parliament and their personal staff. Authors are available to discuss the contents of these papers with MSPs and their staff who should contact Iain McIver on extension 85294 or email [iain.mciver@parliament.scot](mailto:iain.mciver@parliament.scot). Members of the public or external organisations may comment on this briefing by emailing us at [SPICe@parliament.scot](mailto:SPICe@parliament.scot). However, researchers are unable to enter into personal discussion in relation to SPICe Briefing Papers. If you have any general questions about the work of the Parliament you can email the Parliament's Public Information Service at [sp.info@parliament.scot](mailto:sp.info@parliament.scot).

Every effort is made to ensure that the information contained in SPICe briefings is correct at the time of publication. Readers should be aware however that briefings are not necessarily updated or otherwise amended to reflect subsequent changes.

Published by the Scottish Parliament Information Centre (SPICe), an office of the Scottish Parliamentary Corporate Body, The Scottish Parliament, Edinburgh, EH 99 1SP.

[www.parliament.scot](http://www.parliament.scot)

This paper was written by Iain McIver, SPICe Research.

## Culture, Tourism, Europe and External Relations Committee

Keep up to date with the Committee via the following links:



[www.parliament.scot/europe](http://www.parliament.scot/europe)



[europe@parliament.scot](mailto:europe@parliament.scot)



[@SP\\_European](https://twitter.com/SP_European)



[YouTube](https://www.youtube.com)

**#SPICeBrexitWeekly**