

Brexit and your business

What we know so far

May 2019

Introduction

With the UK set to leave the EU on 29 March 2019, this factsheet sets out what we know so far about Brexit. It also provides an overview of the Brexit process and the UK Government's approach to negotiating a Brexit deal with the EU.

Brexit timeline

Following the vote to leave the EU in June 2016, the UK Government triggered Article 50 on 29 March 2017 and started the two-year negotiation period during which the EU and UK are attempting to reach a Brexit deal. While the UK is set to leave the EU on 29 March 2019, the negotiation period can be extended if all EU member states agree. In addition, the European Parliament can reject any Brexit deal, but cannot stop the UK from choosing to leave the EU on 29 March 2019.



The negotiations

What was agreed in phase one?

Phase one of the Brexit negotiations focused on citizens' rights and the financial settlement the UK must pay to the EU. An agreement in principle on these areas was reached in December 2017. Nevertheless, as the EU has stressed that 'nothing is agreed until everything is agreed', the second phase of negotiations could see changes made to this agreement.

What happened in phase two?

Phase two of the Brexit negotiations focused on:

- The financial settlement the UK must pay the EU before its departure.
- The Irish border issue.
- Issues related to the UK's withdrawal from the EU.
- The UK's future relationship with the EU, including security, defence and foreign policy.

The UK Government's Brexit position

In November 2018, the UK and the EU agreed a draft Brexit deal which focused on issues including:

- The financial settlement the UK will pay the EU before its departure.
- The rights of UK citizens living in the EU.
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- How to avoid a hard border between Ireland and Northern Ireland.

However, MPs voted on 15 January 2019 to reject the Prime Minister's Brexit deal by a significant majority. Theresa May confirmed she would ask the EU to reopen the Brexit deal negotiations to discuss new options over the Northern Ireland border issue.

The Prime Minister presented a revised version of the Brexit deal to Parliament in March 2019. The revised deal was rejected by MPs, who also voted in favour of asking the EU for an extension to Article 50 and not leaving the EU without a deal under any circumstances. The Prime Minister is expected to present another revised deal to MPs later in March 2019.

On 11 April 2019, the EU granted the UK a six-month extension to Brexit. The UK must now leave the EU by 31 October 2019.

Transition period and leaving the EU

The UK and EU have agreed a transition period which will begin when the UK leaves the EU, which will give the UK Government time to introduce new legislation, as well as give businesses the opportunity to prepare for any changes as a result of Brexit. However, there will be no transition period if the UK leaves the EU without a deal.

Useful resources and further information

Brexit resources from the London Growth Hub

<https://www.growthhub.london/brexithub/>

The Department for Exiting the European Union

<https://www.gov.uk/government/organisations/department-for-exiting-the-european-union>



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