

Foreign Affairs Committee reports on the implications of Brexit with “no deal”

13/03/2017 (EU/Competition)

The House of Commons Foreign Affairs Committee has published its report on the implications of leaving the EU with “no deal”. HM Government had notified the Committee that it would not provide evidence to the Committee on these issues, with the Secretary of State for Exiting the EU explaining to Parliament that the implications of “no deal” are so complex that undertaking an assessment would be no more than guesswork. The Committee invited expert evidence from the Bar Council to address the range of legal and technical issues that would remain unresolved if the UK left the EU at the end of the Article 50 period with no deal in place. Professor Derrick Wyatt QC and Hugo Leith gave evidence to the Committee on behalf of the Bar Council.

The issues considered in detail by the Committee include:

- The legal structure for Article 50 negotiations and the risks that could lead to a deal being derailed;
- The framework for negotiation of the ‘divorce’, including assessment of any exit bill owed by the UK to the EU;
- Uncertainty and confusion over the position of UK citizens in the EU and EU citizens in the UK – including as to pensions, employment, entry rights and health care;
- The application of WTO terms to trade with the EU, and the status of UK exports under existing agreements between the EU and third states;
- Regulatory gaps and uncertainty in areas that cannot simply be addressed by the ‘Great Repeal Bill’, such as civil aviation and medicines;
- Uncertainty over the UK’s participation in the EU’s common foreign and security policy; and
- The implications for the border between the Republic of Ireland and Northern Ireland.

Having considered these issues, the Committee found that a breakdown in negotiations would represent a “very destructive outcome leading to mutually assured damage for the EU and the UK”. Both sides would suffer economic loss and harm to their international reputations and individuals and businesses could face considerable uncertainty and confusion. It concluded that it “is a key national and European Union interest that such a situation is avoided”. The consequences of this outcome can, the Committee found, be assessed and are not a matter of guesswork.

The Committee also found that despite the interests on each side in avoiding this result, the real possibility of ‘no deal’ being reached requires contingency planning by HM Government, and that there is no indication that it is being undertaken. It warned that a failure to undertake such planning would be a serious dereliction of duty by the Administration.

The Committee’s Report is available [here](#), and its Statement [here](#). The evidence submitted on behalf of the Bar Council is available in the Report (Appendix 1).

For press coverage, click the following links: [Guardian](#) (and also [here](#)), [City AM](#) and [Daily Mail](#).

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