Client briefing

What does Johnson's election victory mean for Brexit?

The promise to "get Brexit done" helped Boris Johnson to achieve the largest Conservative majority since the Thatcher years. To what extent will the election result bring greater certainty for the Brexit process?

The UK will be leaving the EU by 31 January 2020

As a result of the Conservative election victory, we can be sure that the UK will be leaving the EU with a withdrawal agreement by 31 January 2020. That means the UK will stay within the Single Market until at least 31 December 2020 on the terms of the transitional arrangements set out in the Withdrawal Agreement. There will be no way back into the EU for the UK, whether by way of a second referendum or otherwise, without the UK making a fresh application for EU membership.

What are likely terms of the future trade deal?

Some have speculated that as a result of his comfortable 80 seat majority, Mr Johnson will be able to soften his hard Brexit stance. However, the Conservative manifesto was quite clear that his Government would "keep the UK out of the single market, out of any form of customs union, and end the role of the European Court of Justice."

While there is some room for manoeuvre (for example over the degree of regulatory alignment) a move to any kind of customs union to reduce friction at the border would appear unlikely. That means that we are probably looking at a relatively conventional free trade deal, with some add-ons to address key areas like data protection and security co- operation.

When will it be concluded?

The Conservative Manifesto rules out extending the transitional period beyond 31 December 2020, raising a renewed possibility of a no-deal Brexit if a new deal cannot be agreed and ratified by then. The more ambitious the deal, the more difficult it will be to complete and ratify within the current timetable. So there are likely to be trade-offs between the scope of the deal and the political need to get it done quickly.

One possible compromise might be to complete the deal in principle by 31 December, and extend the transitional period to allow the ratification process to be completed. That is likely to essential if the new deal is a more ambitious "mixed agreement", which, unlike the Withdrawal Agreement, would require ratification by all EU member states.

There are however reports that Mr Johnson will be introducing a clause into the Withdrawal Agreement Bill which would prevent the UK Government from agreeing to an extension. Depending on the wording of this clause, this would further limit the Government's room for manoeuvre in the trade negotiations as far as the current deadline is concerned.

Next steps

Boris Johnson is due to bring the Withdrawal Agreement Bill back to Parliament on Friday 20 December. He should encounter little difficulty in passing it into law in time for the 31 January deadline. He will then need to shape his negotiating team ready for negotiations on the new EU/UK relationship, which are likely to begin in March. Among other things that is likely to involve disbanding DEXEU (the Department for Exiting the European Union).

We should learn more about how the negotiations will be structured in the coming weeks. One key issue is the extent to which Parliament will be involved in approving the UK's negotiating mandate, and hence the degree of public scrutiny which can be brought to bear on the UK's negotiating strategy.

Further reading

For more information about the decisions the Government is facing as it prepares for the Brexit trade negotiations, read this <u>briefing</u> published by the Institute for Government.



Mills & Reeve LLP is a limited liability partnership authorised and regulated by the Solicitors Regulation Authority and registered in England and Wales with registered number OC326165. Its registered office is at 7th & 8th floors, 24 King William Street, London, EC4R 9AT, which is the London office of Mills & Reeve LLP. A list of members may be inspected at any of the LLP's offices. The term "partner" is used to refer to a member of Mills & Reeve LLP.

The contents of this document are copyright © Mills & Reeve LLP. All rights reserved. This document contains general advice and comments only and therefore specific legal advice should be taken before reliance is placed upon it in any particular circumstances. Where hyperlinks are provided to third party websites, Mills & Reeve LLP is not responsible for the content of such sites.

Mills & Reeve LLP will process your personal data fairly and lawfully in accordance with professional standards and the Data Protection Act 2018, General Data Protection Regulation (EU) 2016/679 (as applicable) and any other applicable laws relating to the protection of personal data and the privacy of individuals. You can set your marketing preferences or unsubscribe at any time from Mills & Reeve LLP marketing communications at <u>www.preferences.mills-reeve.com</u> or by emailing <u>preferences@mills-reeve.com</u> T +44(0)344 880 2666