



Mr Michel Barnier
Chief negotiator
Taskforce negotiations with the UK under article 50
European Commission
200 Rue de la Loi
BE – 1049 Brussels
BELGIUM

17 May 2017

Dear Sir,

BusinessEurope's input in view of the negotiations with the UK

Ahead of the negotiations between the European Union and the United-Kingdom under article 50 of the Treaty, BusinessEurope and its members prepared a first check list of the issues to be addressed from a business point of view, which I am pleased to send you herewith. This checklist is a living document which will be regularly up-dated.

The negotiating guidelines adopted by the European Council specify that the agreement on the future relations as such can only be concluded once the UK is a third country. However, they also underline that the withdrawal arrangements have to take into account the framework for future relations. Consequently, an overall understanding on the framework of future relations could be identified during the second phase of negotiations under Article 50 and the EU is ready to engage in preliminary discussions when sufficient progress is made.

Companies need certainty regarding the withdrawal agreement and clarity about the future EU-UK relationship as soon as possible. BusinessEurope therefore urges negotiators on both sides to reach the withdrawal agreement without delay so as to be able to focus as early as feasible on the future relation and on transition arrangements where appropriate. The status of EU-27 citizens in the UK and UK citizens in the EU-27 should be clarified firstly.

BusinessEurope stands ready to play a constructive role in the search of solutions to establish a sound and balanced new model for EU-UK relations. From a business perspective and if possible these solutions should be as close as possible to the existing situation.

The European Union needs a strong United Kingdom and the United Kingdom needs a strong European Union in order to pursue mutually beneficial relations in the future. The decision of the UK to leave the EU opens up factors of uncertainty. It is therefore, essential to organise the exit of the UK from the EU in an orderly and constructive manner.

A significant part of EU and UK jobs depend on exports. Production processes are profoundly inter-twined across the wider Europe. The creation of unnecessary obstacles to trade and investment as well as of unfair conditions of competition should be avoided.

BusinessEurope and its member federations call on negotiators to ensure that the new model that will govern EU-UK relations after Brexit is in line with the following principles:

- It preserves the integrity of the Single Market based on its four freedoms;
- It maintains as close economic relations as possible between the EU and the UK;
- It organises a smooth transition towards a future trade agreement, to allow business to prepare and adjust to the new situation as soon as possible
- It mitigates the adverse effects of Brexit for companies and citizens;
- It provides legal certainty as soon as possible by delivering achievable solutions in a reasonable and predictable period of time.
- Discussions should involve all relevant stakeholders in order to properly tackle all issues including customs duties and procedures, market access and regulatory convergence.

It is in the interest of both the European Union and the United Kingdom to pursue mutually beneficial relations in the future, in a level playing field environment. Negotiations should be led in a true spirit of partnership and mutual loyalty with the aim to achieve a smooth exit of the UK from the EU.

Any ambiguity about the commitment to free trade on both sides needs to be avoided and access to the EU single market should be based on the indivisibility of its four freedoms the right balance between rights and obligations.

The future relationship between the UK and EU must be based on reciprocity with the UK having the rights and obligations of a non-EU member. The best trade agreements are not stuck in time, so we favour an agreement that adjusts to changes in the long-term partnership between the EU and UK.

Yours sincerely,



Emma Marcegaglia