
BREXIT UPDATE: INSIGHT INTO THE LATEST DEVELOPMENTS

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With the meaningful vote postponed and the UK being pressed for time a 'hard Brexit' is more and more likely. In this article, we explore the latest Brexit developments.

Meaningful vote postponed

The UK parliament was scheduled to vote on the Brexit deal via the so-called 'meaningful vote' 11 December 2018. The vote was by many considered essential, if Theresa May was to be successful in avoiding a hard Brexit (i.e. a Brexit without a transition period), as she was and still is hard pressed for time.

On 10 December 2018 it was announced that the meaningful vote was to be postponed. The reason being that it was unlikely that the deal would have enough backing from UK parliament to pass.

The announcement of the postponement caused the British Pound to drop further, albeit having gained traction after the advocate general of the European Court of Justice and since the court itself ruled that the UK could unilaterally revoke their notification of their intention to withdraw from the EU. For more on the ECJ ruling see [here](#).

The meaningful vote is now scheduled to take place on 14 January 2019, however the outcome is still uncertain.

No-deal planning intensified

As support for the deal by the UK parliament is still uncertain and with the timeframe for ratification being pressed, both EU and UK institutions have intensified their preparations for a no-deal scenario.

Since the postponement, the UK has allocated an additional GBP 2 billion to its government departments to aid the unavoidable additional administrative burdens which the no-deal scenario will trigger.

The European Commission has also implemented a so-called Contingency Action Plan in specific sectors. The plan includes 14 measures in a limited number of areas where a no-deal scenario, according to the European Commission, would create major disruptions for citizens and businesses in the EU 27.

The 14 measures include areas such as financial services, transport, data protection, animal health and plants, customs, and climate policy. All measures will be temporary in nature, limited in scope and adopted unilaterally by the EU.

As an example, for areas such as transport, the measures would entail implementation of provisions for the continuation of certain air services between the UK and EU for a 12-month period, as well as the continuation of haulers' rights to carry freight by road into the EU for a 9-month period.

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Regarding UK citizens, the European Commission invites Member States to take a generous approach to the rights of UK citizens in the EU, provided however, that this approach is reciprocated by the UK.

The proposed legislative acts still must be adopted by the European Parliament and the Council before they can enter into force.

What should companies do in the mean time?

Based on the latest developments it is more and more likely that companies may be faced with a no-deal scenario. Companies should implement precautionary measures now, to be able to continue their business as unhindered as possible on 29 March, 2019.

To aid companies the European Commission has published 78 sector-specific preparedness notices to inform the public about the consequences of the UK's withdrawal following a hard Brexit. The notices can be found [here](#).

If you have questions regarding devising a plan, to which risks your company is exposed or to the preparedness notices, we are happy to elaborate further.