



HOUSE OF COMMONS

12 July 2018

Dear Colleague,

The White Paper we are publishing today sets out in detail the agreement reached by the Cabinet at Chequers last week. It is a precise, responsible and credible basis for moving our negotiations with the EU forward to achieve a deal that works in our mutual interest.

Despite good progress in a number of areas, negotiations with the EU on our future relationship have reached an impasse. The off the shelf options offered by the EU do not work for the United Kingdom. That is why we need to evolve our approach to one that honours the result of the referendum, sets us on course for a productive relationship with our closest trading partners, and maintains the constitutional and economic integrity of our United Kingdom. That is exactly what our new proposed solution does.

It honours the referendum result:

- **The UK will cease to be a member of the European Union on 29 March 2019.** This date is set in law and this agreement would deliver on it.
- **We will take back control of our borders, with an end to free movement.** EU citizens will no longer have the unfettered ability to come to the UK to seek work.
- **We will take back control of our money, with no more vast annual sums paid to the EU.** Any future contributions will only be to enable our participation in particular activity we judge to be in our national interest.
- **We will take back control of our laws, ending the jurisdiction of the ECJ in the United Kingdom.** UK courts will no longer be able to appeal to the ECJ, and the UK Supreme Court will be the highest legal authority in the land.
- **We will leave the Common Agricultural Policy and Common Fisheries Policy.** This will give us the freedom to design new policies that work for our rural and coastal communities.
- **We will be free to operate our own independent international trade policy.** The whole of the UK will be outside the Customs Union and Single Market, free to sign trade deals with countries around the world.

It also provides for a productive new relationship with the EU that works for businesses and maintains the constitutional integrity of our United Kingdom as an independent sovereign state.

- **It will deliver friction-free trade in goods with our nearest trading partners in the EU.** Businesses will be able to import and export goods across the EU frontier without impediment.

- **It will support jobs across the UK.** The just-in-time supply chains that underpin high skilled manufacturing jobs across the country will be able to continue without disruption.
- **It will ensure there is no hard border between Northern Ireland and Ireland.** We will remain one United Kingdom, with a single internal market, on good terms with our nearest neighbour Ireland.
- **It will keep us safe.** Building on our shared values, we propose continued close cooperation on security matters, while at the same time operating a fully independent foreign and defence policy, working closely with our EU and NATO allies.

This vision for our future relationship with the EU will be very challenging for the EU – it is in no sense a concession to their demands. Indeed we are rejecting the two models they have put forward and we are asking them to accept a bespoke model that meets the unique requirements of the United Kingdom.

Our proposal to maintain a **common rulebook** with the EU on goods and agricultural products and to operate a **Facilitated Customs Arrangement**, where we use modern technology to remove the need for customs checks, represents a new offer to the EU. It is in our national interest to make this offer because:

- **The EU’s acquis on goods is stable.** It has been formed through 40 years of UK membership and influence, has not changed substantially since 1987, and is in any case anchored to the realities of international trading standards in our increasingly globalised world economy.
- **The UK is committed to maintaining high standards.** Leaving the EU gives us the freedom to improve and innovate in consumer and employment rights and environmental standards, not to pursue a race to the bottom.
- **Many UK businesses will continue to meet EU standards anyway.** Firms which want to continue trading with the single market will continue to meet these standards in any event; making this commitment will allow the creation of a free trade area that is good for business.
- **Parliament will have sovereign control** over future rules and regulations. Parliament will be free to accept or reject any new rules, in the knowledge that if the UK decided to take a different approach, there may be proportionate consequences for our market access. When the Government is deciding whether a rule is in scope of the agreement or not, Parliament will be able to provide a clear opinion and express its view. This will help ensure that Parliament is an active player and can shape the discussion from an early stage in the process.

As the Attorney General has made clear, there is a fundamental difference between allowing the EU institutions to make laws in and for this country without the specific assent of Parliament and a system of international arbitration that is binding only in international law. The proposals made by the Chequers agreement will exclude the former for ever. The latter is common to many international free trade treaties, which allow for international adjudication of disputes. These arrangements differ fundamentally from those of membership of the EU.

Lord Denning famously described EEC law as a tide that “flows into the estuaries and up the rivers” of the legal jurisdiction of the UK. He added “it cannot be held back. Parliament has decreed that the Treaty is henceforward to be part of our law. It is equal in force to any statute”.

But now that flow will stop. The EU institutions, including the CJEU, will no longer have the power to make laws for the United Kingdom: the principles of direct applicability, direct effect and of the supremacy of EU law will no longer apply. The only institutions that will have that power will be the Parliament and courts of the United Kingdom.

Our proposal **fully honours the referendum result**, is fully consistent with the principled **positions set out in speeches at Lancaster House, Florence, Munich and Mansion House**, and is fully **consistent with our manifesto**. In that manifesto, we were explicit that *'the negotiations will undoubtedly be tough, and there will be give and take on both sides'*. As the people charged with conducting these negotiations, we judge that now is the right time to evolve our UK negotiating position in order to elicit similar movement from the EU and so to move our negotiations forward to a mutually-beneficial conclusion.

But we should also be clear that for this to be a sustainable agreement it must also be a flexible one. It will therefore not only need to be able to evolve over time but also provide mechanisms for both sides to review the relationship if circumstances change. Such an approach is commonplace in trade agreements, both those struck by the EU and non-EU countries.

We are in no doubt of the strong feelings colleagues have on this subject and we fully respect them. On whichever side of the debate we stood two years ago, we believe we are all now united in wanting the best outcome for our country and the people we serve. That is a mutually-beneficial agreement with the EU that honours the result of the referendum and sets us on course for a prosperous and productive future. We look forward to ongoing engagement with colleagues as we continue our work towards that goal.

Yours sincerely,

A handwritten signature in blue ink, appearing to be 'T. May', with a large, sweeping flourish at the end.

The Rt Hon Theresa May MP

A handwritten signature in blue ink, appearing to be 'Dominic Raab', with a large, sweeping flourish at the end.

The Rt Hon Dominic Raab MP