



FINANCIAL SERVICES

Theresa May's Article 50 'Dear John' Letter

by

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Brexit might become the road to hell that was paved with good intentions.

Wednesday, 29 March 2017, will be remembered as the day that Article 50 of the Treaty on the European Union (TEU) was triggered.

Looking back there were some key milestones bringing Britain to this point.

1957	Britain asked to join founding members in forming European Economic Community (EEC) but says no to marriage.
1963	Britain reconsiders but France says 'non'.
1973	Britain joins EEC
1983	Britain expresses doubts that its marriage is a bed of roses as Labour campaigns to exit EEC.
1988	Britain passes Single European Act after which Margaret Thatcher begins to express negative views about the common agricultural policy.
1992	Britain quits European Exchange Rate Mechanism following immense market pressure on the pound.
2005	David Cameron pulls Conservatives from main centre-right grouping in the EU parliament.
2011	David Cameron uses veto at a 2011 summit on a proposed new EU-wide treaty.

2014	UKIP tops British EU election polls leading to David Cameron's referendum pledge.
2016	Brexit Referendum results in vote to leave EU.
2017	Article 50 triggered.

Does the triggering of Article 50 change anything? Well, yes, because it tells us where Theresa May intends to get to; but no, because there are still a lot of known unknowns between where Britain is now and its destination:

- Will there be a transitional period? If so, how long will it be?
- Will there be parallel talks on the divorce and talks on the form of EU/British relations after the divorce? There will be talks about the talks before we know the answer.
- At what point will there be a final deal on Brexit? The TEU says two years but how long will it really take?
- How much will the divorce cost?
- What will happen to British citizens residing in the EU and to EU citizens residing in Britain?
- Can there be a fudge on the border between the two Irish jurisdictions that satisfies British sovereignty on the one hand, and the EU's need to have a hard border with third countries on the other, and in a way that preserves one of the key building blocks of peace in Northern Ireland?
- Theresa May is looking for something close to a customs union with good access to the single market, but Britain's immigration policy is not on the table and there will be no budget contributions. EU Brexit negotiator Guy Verhofstadt says that Theresa May can't 'cherry pick' the benefits of the EU. Who is right or who is least wrong?
- Given that sovereignty was one of the touchstones for Britain, how will Britain react to the European Court of Justice being the arbiter of post-divorce arguments about custody and maintenance?
- Will the putative EU Brexit Deal meet World Trade Organisation standards?
- If the British parliament doesn't like the terms of the divorce on offer, can Britain and the EU 'kiss and make up'?

This is all speculation and if Theresa May continues to insist on playing her cards close to her chest, it looks like everything will be uncertain until everything is certain.

The one certainty is that nobody knows what EU/British relations will look like after the divorce.

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About the Author