Council of the European Union

PRESS

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**DRAFT BACKGROUND**[1]
Brussels, 11 October 2017

# GENERAL AFFAIRS Council (Article 50)
## 17 October, Luxembourg

Chair: Estonian Deputy Minister for EU Affairs, Matti Maasikas

Commission representatives: Commission's chief Brexit negotiator, Michel Barnier

The Council, in an EU27 format, will discuss the **state of play of the Brexit negotiations** after five rounds of talks with the UK. The Commission's Chief Negotiator, Michel Barnier, will inform ministers on the progress made so far. This discussion will serve as preparation for the meeting of the EU27 heads of state or government at the **European Council (Article 50)** on 20 October 2017.

In the margins of the General Affairs Council (Article 50), ministers are also expected to hold a **political discussion regarding the relocation of the two EU agencies** currently located in the UK: the European Medicines Agency and the European Banking Authority.

A press conference will follow the meeting: +/- 17:30

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*Council meeting webpage:*

*Press conferences and public events via video streaming:* http://video.consilium.europa.eu

*Video coverage in broadcast quality (MPEG4) and photo gallery*:

https://tvnewsroom.consilium.europa.eu/permalink/98801

[1] This note has been drawn up under the responsibility of the press office.

## Brexit negotiations

The Council, in an EU27 format, will be informed by the Commission's Chief Negotiator, Michel Barnier, of the state of play of Brexit negotiations with the UK. Ministers will exchange views on the progress so far ahead of the European Council (Article 50) of 20 October.

By the time the ministers meet, a total of five rounds of negotiations will have been held between the EU and the UK. Three initial negotiating groups were established at the beginning of the talks, on citizens' rights, the financial settlement and other separation issues. In addition, discussions were launched at the level of negotiation coordinators on the special situation in the island of Ireland and on the governance of the agreement. The Commission, as the EU negotiator, reports back regularly to the EU27 and also keeps the European Parliament informed.

### The European Council guidelines

The framework for negotiations and the **overall EU positions** and principles for the talks are set out in the European Council guidelines of 29 April 2017. The European Council stated that the EU27 will maintain its unity and act as one during the negotiations.

In the guidelines the leaders reiterate their wish to have the UK as a **close partner** and state that any future deal will need to be based on a **balance** of rights and obligations and ensure **a level playing field.** It is stressed that the **integrity of the single market** must be preserved, which means that the four freedoms are indivisible and there can be no **cherry-picking:** a non-member cannot enjoy the same rights and benefits as a member.

### The phased approach

The guidelines also set out the **phased approach** for the negotiations. The first phase of the talks aims to provide as much **clarity and legal certainty** as possible and to settle the disentanglement of the UK from the EU. When the European Council deems that **sufficient progress** has been achieved in the first phase, negotiations will proceed to the next phase.

An agreement on the **future relationship** between the EU and the UK can be concluded only once the UK becomes a third country. However, discussions on an overall understanding of that future relationship could start during the second phase of the negotiations.

### The negotiating directives

The Council, meeting in an EU27 format, adopted a decision on 22 May 2017 authorising the opening of Brexit negotiations with the UK and formally nominating the Commission as EU negotiator. The Council also adopted a set of negotiating directives for the first phase of the talks.

These negotiating directives prioritise issues identified as necessary for an orderly withdrawal of the UK. These include **citizens' rights, the financial settlement and the situation in Ireland**, as well as other situations in which there is a risk of legal uncertainty as a consequence of Brexit.

### Possibility of a transitional period

During her speech in Florence on 22 September, Prime Minister Theresa May outlined the UK's **request for a transitional period** following the UK's withdrawal from the EU. According to the European Council (Article 50) guidelines, the negotiations may seek to determine transitional arrangements which are in the interest of the EU.

The guidelines clearly set out the conditions for such transitional arrangements. They must be clearly defined, limited in time and subject to effective enforcement mechanisms. Should a time-limited prolongation of the EU *acquis* be considered, this would require existing EU regulatory, budgetary, supervisory, judiciary and enforcement instruments and structures to apply.

**Timeline**

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| 23 June 2016 | UK referendum: UK citizens vote to leave the EU |
| 29 June 2016 | Informal meeting of EU27 heads of state or government<br>Statement |
| 15 December 2016 | Informal meeting of EU27 heads of state or government<br>Statement (including institutional set-up for negotiations) |
| 29 March 2017 | UK formally notifies the European Council of its intention to leave the EU |
| 29 April 2017 | Special European Council (Article 50): adoption of guidelines<br>European Council (Article 50) guidelines for Brexit negotiations |
| 22 May 2017 | General Affairs Council (Article 50)<br>Council decision authorising the opening of negotiations with the UK<br>Brexit: Negotiating directives – 22 May |
| 19 June 2017 | First round of negotiations with the UK |
| 20 June 2017 | General Affairs Council (Article 50) |
| 22 June 2017 | European Council (Article 50) |
| 17-20 July 2017 | Second round of negotiations with the UK |
| 28-31 August 2017 | Third round of negotiations with the UK |
| 25-28 September 2017 | Fourth round of negotiations with the UK |
| 9-12 October 2017 | Fifth round of negotiations with the UK |

Brexit - background information and full timeline

Negotiation documents for the Article 50 negotiations (European Commission)

## Relocation of EU agencies

In the margins of the General Affairs Council (Article 50) – because it is not about a decision of the Council but of the member states –, ministers will hold **a political discussion on the relocation of the two EU agencies currently located in the UK.** These agencies are the European Medicines Agency (EMA) and the European Banking Authority (EBA).

The discussion will take place ahead of the ministers' vote on 20 November 2017 to decide the relocation of both agencies, again in the margins of the General Affairs Council (Article 50) meeting.

The political discussion will be based on the Commission's assessment of the member states' proposals to host the agencies published on 30 September 2017. The Commission examined all offers received by the deadline of 31 July 2017 according to the procedure and the selection criteria endorsed by the EU27 leaders on 22 June 2017.

Procedure leading up to a decision on the relocation of the EMA and the EBA in the context of the UK's withdrawal from the EU, 22.6.2017

Relocation of the UK-based EU agencies

In the margins of the European Council (Article 50) on 20 October 2017, the Estonian Prime Minister Jüri Ratas will inform the EU27 heads of state or government of the ministers' political discussion regarding the relocation of the agencies.

**The voting procedure**

The vote on 20 November 2017 has been scheduled to allow enough time for the smooth and timely relocation of the two agencies. All offers, unless withdrawn by the member states concerned, will be submitted to the vote.

Under the voting procedure, each member state will have one vote consisting of six voting points, which should be allocated in order of preference to three offers: three points to the first preference, two to the second and one to the third. If no offer receives three voting points from at least 14 member states, the three offers with the highest number of points will go through to a second round of voting. In the second round, each member state will have one voting point, which should be allocated to its preferred option in that round. If no offer receives 14 or more votes in the second round, a third round will follow, again with one voting point per member state. In the event of a tie, the presidency will draw lots between the tied offers.