

14 November 2018

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Subject: **Joint report** from the negotiators of the European Union and the United Kingdom Government on the "state of play of the negotiations under article 50 TEU on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community".

Origin: Presented jointly by the negotiators of the European Union and the United Kingdom Government.

Objective: Sent to the EU27 Member States, to the Brexit Steering Group of the European Parliament and published on the TF50 website on 14 November 2018.

STATE OF PLAY OF THE NEGOTIATIONS UNDER ARTICLE 50 TEU ON THE WITHDRAWAL OF THE UNITED KINGDOM FROM THE EUROPEAN UNION

1. The negotiators of the European Union and the United Kingdom wish to report agreement at negotiators' level on the draft Withdrawal Agreement, and on an outline of the Political Declaration on the framework for the future relationship between the United Kingdom and the European Union.

Withdrawal Agreement

2. The full text of the Withdrawal Agreement has been agreed at negotiators' level. It is now subject to legal verification. The negotiators recall that Article 50 TEU states that the Withdrawal Agreement should take account of the framework for the future relationship. This link is provided for within the draft Withdrawal Agreement. The Union and the United Kingdom emphasise therefore that final agreement is subject to endorsement of the Withdrawal Agreement and adoption of the Political Declaration, based on the outline, by Leaders.
3. The draft Withdrawal Agreement contains a Protocol on Northern Ireland that provides for a legally operative backstop, including a single customs territory between the European Union and the United Kingdom. Neither the Union nor the United Kingdom wish to see the backstop enter into force. Were it to do so, it would represent a suboptimal trading arrangement for both sides. The Withdrawal Agreement also sets out the Parties' shared intention to negotiate a future agreement that supersedes the relevant provisions of the Protocol.

Outline of the Political Declaration

4. The outline records the progress made in reaching an overall understanding on the framework for the future relationship, describing the agreed structure, scope and objectives of cooperation between the Parties, which will be set out in more detail in the Political Declaration. It shows the convergence achieved in recent months, on the basis of the European Council Guidelines of March 2018 and the United Kingdom's White Paper of July 2018, including on:
 - the Parties' shared values and approach to rights and data protection;
 - a close relationship on services and investment, including on financial services;
 - wide-ranging sectoral cooperation, for instance on transport and energy;
 - minimum requirements for open and fair competition necessary to underpin the future economic relationship, and the need for these to be commensurate to that relationship;
 - a broad and deep partnership on foreign policy, security and defence; and
 - the process that will follow the conclusion of the Article 50 negotiations.
5. In two specific areas, negotiations have been particularly challenging, and the agreement reached so far will require further work during the negotiations on the future relationship:
 - On **trade in goods**, the negotiators have agreed in principle the need for comprehensive arrangements creating a free trade area, combining deep regulatory and customs cooperation, building on the single customs territory provided for in the Withdrawal Agreement. Both sides wish to make the trading relationship as close as possible. Exactly

what balance of rights and obligations will be compatible with the integrity of the Union's Single Market and Customs Union and the development of the United Kingdom's independent trade policy will be the subject of the future relationship negotiations.

- On **internal security**, the negotiators have similarly agreed in principle on the need for comprehensive law enforcement and judicial cooperation in criminal matters, and identified ways of delivering strong and important operational capabilities. The negotiators have also agreed the basis on which the Union and the United Kingdom should consider further appropriate arrangements following the United Kingdom's withdrawal, compatible with the Union's legal order and the United Kingdom's future status outside that legal order.

Next steps

6. Negotiations on the full Political Declaration continue, and the negotiators are determined to reach a successful conclusion by the end of November.