



Department
for Exiting the
European Union

Finance Authority

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EU (Withdrawal Agreement) Bill

PHOTO REDACTED DUE TO THIRD PARTY RIGHTS OR OTHER LEGAL ISSUES

OVERVIEW

The UK has agreed a new Brexit deal with the EU. The EU (Withdrawal Agreement) Bill will implement this new deal in UK law, and deliver Brexit by 31st October 2019.

*The **Bill** will: take back control of our laws by reaffirming the sovereignty of Parliament; end vast annual payments to Brussels; protect the Union by ensuring we leave as one United Kingdom; protect the rights of EU, **EEA EFTA** and Swiss citizens living in the UK; and secure an **implementation period** to give businesses certainty.*

The **Withdrawal Agreement** covers the UK's financial commitments to the EU and the EU's financial commitments to the UK when we leave the EU.

The aim of the settlement is to address mutual commitments that arose primarily as a consequence of the UK's participation in the **EU budget**, in addition to commitments related to the UK's broader membership of the EU.

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The EU (Withdrawal Agreement) Bill allows the UK to fulfil its international commitments by providing the Government with the authority to make payments to the EU. The **Bill** also provides for a moment for Parliament to decide whether this authority should continue or whether a different mechanism (the annual Supply process) should apply.

Part 5 of the **Withdrawal Agreement** sets out the methodology for calculating the payments to and from the EU, rather than a final sum. It provides for the UK to contribute to the **EU budget** 2019-2020, covering the time-limited **implementation period**.

The Office for Budget Responsibility published their independent estimate for the financial settlement in March 2019 and forecast that the settlement would be worth £37.8 billion. However, this was predicated on the UK leaving the EU on 29 March 2019. As a result of the extension under Article 50, the UK continued to contribute to the EU Budget as a Member State after 29 March 2019. While this reduces the size of the settlement, it does not change the overall amount that the UK transfers to the EU.

SCRUTINY

The standing service provision in the **Bill** will cease to apply after 31 March 2021, unless Parliament approves the changing of this date. If this provision ceases to apply, another mechanism (the annual supply process) shall apply.

The UK will appoint auditors who will work on behalf of the Government to ensure that the UK only pays what it should.

There will be a specialised committee on the financial provisions co-chaired by the UK and the EU, bringing together experts from both parties. This Committee will meet at least once a year.

The Government currently lays an annual statement before Parliament on EU finances and will continue to update Parliament and taxpayers on payments under the settlement.

KEY TERMS

BILL

A proposal for a new law or an amendment to an existing law that has been presented to Parliament for consideration. Once agreed and made into law, it becomes an Act.

EEA EFTA

The EFTA states who are party to the EEA Agreement - Norway, Iceland and Liechtenstein.

EU BUDGET

Lays out the EU's expenditure and revenue for the year to ensure the financing of EU programmes and actions in all EU policy areas. It also ensures that the EU receives the revenue necessary to finance expenditure.

IMPLEMENTATION PERIOD

Time-limited period following the point at which the UK leaves the EU. During this period, EU law will continue to apply in the UK subject to the terms set out in the Withdrawal Agreement.

MULTIANNUAL FINANCIAL FRAMEWORK

This framework sets the limits for the annual general budgets of the EU: how much may be spent in total and how much for different areas of activity.

WITHDRAWAL AGREEMENT

The international agreement between the UK and the EU that sets out the respective rights and obligations of both parties following the UK's withdrawal from the EU.



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