



HFMA UPDATE

by Graham Keen,
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The game kicks off

The referee's whistle has blown and the fun and games have begun.

Having kicked things off by formally triggering the Article 50 process, the Prime Minister has set the clock ticking on the two-year negotiation period to agree the terms of the UK's departure, emphasising, throughout the six-page letter to European Council President, Donald Tusk, and the subsequent statement to the House of Commons, the need for a "deep and special relationship" with the EU after the UK's departure. The letter and the statement were, however, light on details of what a "deep and special relationship" will look like in practice, although this is perhaps understandable.

Now, both the UK and EU have set out their starting positions for the negotiation on the UK's withdrawal. Whilst the Article 50 letter does not provide significantly more detail than already announced, it outlines much the EU can agree on, seeking a constructive tone. The Article 50 letter makes clear that the UK expects to begin negotiating the future trade agreement from the outset. The Council has reiterated in kind that the negotiation will be phased and that only "preliminary and preparatory" discussions can take place in the two years. German Chancellor, Angela Merkel, has said the future relationship can only be discussed after both sides "clarify how we will disentangle our interlinked relationship". The upcoming French and German national Parliamentary elections are going to provide an added twist to events.

The Prime Minister's optimism about concluding a deal within two years and commitment to seek transitional arrangements ('an implementation period') should offer some degree of certainty to business.



The Government's Great Repeal Bill White Paper confirmed that the Great Repeal Bill will not be the vehicle for making sector-by-sector changes, but will rather be a highly technical exercise in ensuring that there is a smooth transition, which leaves no 'holes' in the UK statute book at the time of departure. The Great Repeal Bill will instead be followed by further sectoral Bills to ensure the UK is fully prepared for withdrawal, including a Customs Bill and an Immigration Bill.

Following a rollercoaster of activity over the past few weeks, the coming weeks will likely be a quiet period in Westminster and Whitehall. The Commons now heads off for two weeks of Easter recess and the Great Repeal Bill White Paper marked the last obvious Brexit milestone on this side of the Channel.

While EU activity is ramping up with the publication of the negotiating guidelines, we should expect a lull until the Queen's Speech, when the Bills are officially introduced. The European Court of Justice, aka the CJEU (which I have had the dubious 'pleasure' of being in on behalf of this industry!) is not mentioned in the UK's Article 50 notification, but the UK is clear that it prioritises ending the CJEU's jurisdiction over the UK. This raises

the broader question of dispute resolution, i.e. who exactly is the arbiter for these negotiations and any withdrawal? To the EU, it clearly remains the CJEU, but it is unlikely the UK will accept this perspective, and it's worth noting that, although their jurisdiction over the UK will end, the Great Repeal Bill white paper made clear that European case law will continue to have a significant bearing as long as EU-derived law remains on the statute books. So, past rulings will continue to be significant unless the UK Parliament decides otherwise on specific issues (as it will have the power to do).

What remains blindingly obvious is that significant challenges lie ahead for negotiators. Failing to bridge the position gap on the key issues will hamper negotiations significantly and endanger the likelihood of a transitional agreement. While all of this is happening, we at the HFMA will be continuing to do everything we can to arrive at the best possible outcome for our member companies, and the industry in general. As I took part, along with HFMA Chair Robert Taylor, in the Brexit Question Time panel at the recent Natural & Organic Products Europe at ExCeL, it struck me that this may well have been the first opportunity for many in the audience to have witnessed

such a debate, in the context of how it might directly impact the natural products industry.

So, with that in mind, I'm pleased to announce that I have organised a Brexit-related seminar to take place in Church House, Westminster, on Monday, June 12, in conjunction with the HFMA's annual members' meeting. This Brexit event will be open to both member companies and other industry stakeholders and will be your opportunity to hear from an MP and also speakers from Defra, the Dept for International Trade and the Dept for Exiting the EU, along with speakers giving an HFMA member perspective, and also exploring the potential innovation opportunities that Brexit may present. This will be a great opportunity to get up to speed and understand the 'behind-the-scenes' activity currently taking place to try to secure the best-possible post-Brexit landscape for our industry, and to get your burning questions answered.

For further details please contact philippa@hfma.co.uk.

To help us in our efforts to protect this industry and benefit from the gold-standard advice we provide, join the HFMA at the earliest opportunity. To learn more about our activities, please contact graham@hfma.co.uk.

HFMA membership is vital to ensure that your company keeps abreast of the fast-changing regulatory environment. The HFMA is the UK's best source of information and most effective defender of our industry's interests. To help the HFMA defend your business at this most critical time contact hfma@hfma.co.uk or call 020 8481 7100.

