Brexit preparedness: EU completes preparations for possible "no-deal" scenario on 12 April

At the same time, it continues supporting administrations in their own preparations and urges all EU citizens and businesses to continue informing themselves about the consequences of a possible "no-deal" scenario and to complete their no-deal preparedness. This follows the European Council (Article 50) conclusions last week calling for work to be continued on preparedness and contingency. While a "no-deal" scenario is not desirable, the EU is prepared for it.

Following a request by Prime Minister Theresa May, the European Council (Article 50) agreed on Thursday 21 March to extend the UK's departure date to **22 May 2019**, provided the Withdrawal Agreement is approved by the House of Commons by 29 March 2019 at the latest. If the Withdrawal Agreement is not approved by the House of Commons by then, the European Council has agreed to an extension until **12 April 2019**. In that scenario, the United Kingdom would be expected to indicate a way forward before this date.

While the European Union continues to hope that it will not be the case, this means that if the Withdrawal Agreement is not ratified by Friday 29 March, a "no-deal" scenario may occur on 12 April. The EU has prepared for this scenario and has remained united throughout its preparations. It is now important that everyone is ready for and aware of the practical consequences a "no-deal" scenario brings.

A "no-deal" scenario

In a "no-deal" scenario, the UK will become a third country without any transitionary arrangements. All EU primary and secondary law will cease to apply to the UK from that moment onwards. There will be no transition period, as provided for in the Withdrawal Agreement. This will obviously cause significant disruption for citizens and businesses.

In such a scenario, the UK's relations with the EU would be governed by general international public law, including rules of the World Trade Organisation. The EU will be required to immediately apply its rules and tariffs at its borders with the UK. This includes checks and controls for customs, sanitary and phytosanitary standards and verification of compliance with EU norms. Despite the considerable preparations of the Member States' customs authorities, these controls could cause significant delays at the border. UK entities would also cease to be eligible to receive EU grants and to participate in EU procurement procedures under current terms.

Similarly, UK citizens will no longer be citizens of the European Union. They will be subject to additional checks when crossing borders into the European Union. Again, Member States have made considerable preparations at ports and

airports to ensure that these checks are done as efficiently as possible, but they may nevertheless cause delays.

The EU's "no-deal" preparedness and contingency work

Since December 2017, the European Commission has been preparing for a "no-deal" scenario. It has published 90 preparedness notices, 3 Commission Communications, and has made 19 legislative proposals (see below).

The Commission has held extensive technical discussions with the EU27 Member States both on general issues of preparedness and contingency work and on specific sectorial, legal and administrative preparedness issues. The Commission has now also completed its tour of the capitals of the 27 EU Member States. The aim of these visits was to provide any necessary clarifications on the Commission's preparedness and contingency action and to discuss national preparations and contingency plans. The visits showed a high degree of preparation by Member States for all scenarios.

Member States have also been engaged in intensive national preparations. An overview of residency rights in the EU27 Member States is available here, as well as direct links to national preparedness websites.

Contingency and preparedness legislative measures

To date, the Commission has tabled 19 legislative proposals. 17 proposals have been adopted or agreed by the European Parliament and the Council. Formal adoption of all those files by the European Parliament and Council is currently taking place. Two proposals are to be finalised by the two colegislators in due course.

As outlined in the <u>Commission's Brexit Preparedness Communications</u>, the EU's contingency measures will not — and cannot — mitigate the overall impact of a "no-deal" scenario, nor do they in any way compensate for the lack of preparedness or replicate the full benefits of EU membership or the favourable terms of any transition period, as provided for in the Withdrawal Agreement. These proposals are temporary in nature, limited in scope and will be adopted unilaterally by the EU. They are not "mini-deals" and have not been negotiated with the UK.

The EU has maintained — and will continue to maintain — a fully united position throughout its preparations, and during any possible "no-deal" period.

The "no-deal" contingency measures include:

- **PEACE programme:** the continuation of the PEACE programme on the island of Ireland until the end of 2020. As for the period after 2020, the Commission has already proposed as part of its proposals for the next Multiannual Financial Framework to continue and strengthen cross-border support for peace and reconciliation in the border counties of Ireland and Northern Ireland.
- The EU Budget (in the process of final adoption): in a "no-deal"

scenario, the EU will be in a position to honour its commitments and to continue making payments in 2019 to UK beneficiaries for contracts signed and decisions made before 30 March 2019, on condition that the UK honours its obligations under the 2019 budget and that it accepts the necessary audit checks and controls.

- Fishing rights and compensation: these measures provide for compensation for fishermen and operators from EU Members States under the European Maritime and Fisheries Fund for the temporary cessation of fishing activities. It also ensures that the EU is in a position to grant UK vessels access to EU waters until the end of 2019, on the condition that EU vessels are also granted reciprocal access to UK waters
- Financial services: temporary, limited measures to ensure that there is no immediate disruption in the central clearing of derivatives, central depositaries services for EU operators currently using UK operators, and for facilitating novation, for a fixed period of 12 months, of certain over-the-counter derivatives contracts, where a contract is transferred from a UK to an EU27 counterparty.
- Air connectivity and safety: these two measures will ensure basic air connectivity in order to avoid full interruption of air traffic between the EU and the UK in the event of a "no-deal" scenario.
- Road connectivity: allows for the continuation of safe basic road connectivity between the EU and the UK for a limited period of time, provided that the UK gives reciprocal treatment to EU companies and operators.
- Rail connectivity: ensures the validity of safety authorisations for certain parts of rail infrastructure for a strictly limited period of three months to allow long-term solutions in line with EU law to be put in place. This is, in particular, related to the Channel Tunnel and will be conditional on the United Kingdom maintaining safety standards identical to EU requirements.
- Ship inspections: this aims to ensure legal certainty and secure business continuity in shipping.
- Re-alignment of the North Sea Mediterranean Core Network Corridor: This adds new maritime links between Ireland, France, Belgium and the Netherlands to the core network, and introduces a new funding priority to the Connecting Europe Facility (CEF): adapting transport infrastructure for security and external border check purposes.
- Climate policy: this measure ensures that a "no-deal" scenario does not affect the smooth functioning and the environmental integrity of the Emissions Trading System.
- Erasmus + programme: students and trainees abroad participating in Erasmus+ at the time of the UK's withdrawal can complete their studies and continue to receive the relevant funding or grants.

- Social security entitlements: the entitlements (such as periods of insurance, (self) employment or residence in the United Kingdom before withdrawal) of those people who exercised their right to free movement before the UK's withdrawal are safeguarded.
- Visa reciprocity (in the process of final adoption): visa-free travel to the EU for UK nationals if the UK also grants reciprocal and nondiscriminatory visa-free travel to all EU citizens.

State aid

As regards the need for financial resources and/or technical assistance, the EU's existing State aid rules make it possible to address problems encountered by businesses in the case of a "no-deal" Brexit. By way of example, State aid rules permit consultancy aid for small and medium-sized enterprises (SMEs) or training aid which could be used to assist with SMEs preparedness (including possible future custom formalities). The Rescue and Restructuring Guidelines contain provisions on temporary restructuring support schemes for SMEs, which could be useful to address their liquidity problems caused by Brexit. Access to finance is possible in various formats, e.g. through State-financed lending schemes respecting the reference rate or State guarantees under the guarantee notice (contact point available here).

Funding and support under the EU budget

Technical and financial assistance from the European Union can also be made available in certain areas, such as the training of customs officials under the Customs 2020 programme. Other programmes can help similar training projects in the area of sanitary and phytosanitary controls. For agriculture, EU law provides a variety of instruments to cope with the most immediate effects of the withdrawal of the United Kingdom, in particular in a nodeal scenario.

Preparedness notices

The European Commission has published 90 sector-specific preparedness notices. They provide detailed guidance to the different sectors affected by Brexit. They are available online here.

For more information: what should I do in a "no-deal" scenario?

To know more about how to prepare for a "no-deal" scenario, EU citizens can contact Europe Direct for any questions. Call Freephone **00 800 6 7 8 9 10**11 from anywhere in the EU, in any official EU language. The Commission published today a series of reader-friendly factsheets in all EU languages.

See below for further useful links:

EU citizens

- European Commission preparedness website
- Overview of residence rights in each EU27 Member States

- Member States national "no-deal" websites
- Notice on Travelling
- Factsheets on travelling, citizens' rights, studying, and consumer rights
- <u>Q&A on Erasmus</u>
- Q&A on a "no-deal" scenario
- Information for EU citizens living in the UK

EU businesses

- A range of materials on customs and indirect taxation (including a simple 5-step checklist) for businesses
- Information related to Agriculture
- Seven Things Businesses in the EU27 need to know in order to prepare for Brexit

ESMA registers UnaVista TRADEcho B.V. as trade repository

The European Securities and Markets Authority (ESMA), the EU supervisor of trade repositories (TRs), has registered today UnaVista TRADEcho B.V. as a TR under the European Market Infrastructure Regulation (EMIR), with effect from 25 March 2019.

UnaVista TRADEcho B.V. is based in the Netherlands and will cover the following derivative asset classes: commodities, credit, foreign exchange, equities and interest rates.

This registration is part of the London Stock Exchange (LSE) Group's response to a possible no-deal Brexit. Under this scenario, the UK-based TR of the Group (UnaVista Limited) will cease to be registered with ESMA and UnaVista TRADEcho B.V. will be the TR of the Group operating in the EU27.

Background

TRs are commercial firms that centrally collect and maintain the records of derivatives contracts reported to them. The registration of a TR means that it can be used by counterparties to a derivative transaction to fulfil their trade reporting obligations under EMIR.

To be registered as a TR, a company must be able to demonstrate to ESMA that it can comply with the requirements of EMIR, including, most importantly, on:

- operational reliability;
- safeguarding and recording; and
- transparency and data availability.

EMIR was introduced to improve transparency, establish common rules for central counterparties (CCPs) and TRs as well as to reduce the risks associated with the OTC derivatives market. It provides for the obligation to centrally clear OTC derivative contracts or to apply risk mitigation techniques such as the exchange of collateral. It also provides for the direct supervision and the registration of TRs by ESMA which also carries responsibility for the recognition of non-EU TRs

<u>Eurojust holds first coordination</u> <u>meeting with West African countries in</u> <u>follow-up to four terrorist attacks</u>

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23 March 2019

Eurojust held the first coordination meeting with West African countries on 21 and 22 March to discuss the judicial follow-up to four terrorist attacks. The attacks took place on 7 March and 20 November 2015 in Bamako (Mali), on 15 January 2016 in Ouagadougou (Burkina Faso), and on 13 March 2016 in Grand Bassam (Ivory Coast), with 74 people killed and many others injured.

The meeting was organised at the request of France and gathered, apart from the French judicial authorities, judicial representatives from Mali, Burkina Faso and Ivory Coast, as well as other EU Member States and third countries that were affected by the attacks. Representatives from Europol and INTERPOL also participated.

This coordination meeting at Eurojust was the first of its kind with West African countries regarding terrorist attacks. As indicated by the French counter-terrorism Investigating Judge, Mr David De Pas, the focus was not only on exchanging operational information on ongoing investigations, but also on sharing information on victims and taking stock of the current terrorist threat in the West African region.

The judicial enquiries on terrorism cases rely on efficient multilateral cooperation. As stated by the prosecutor of Abidjan, Mr Richard Christophe Adou: 'If we want to successfully combat a network, we have to work together

as a network'.

For any further questions:

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For all Eurojust press releases, please see www.eurojust.europa.eu (Press centre) .

If you would like to have Eurojust press releases delivered electronically to your inbox, please complete and submit this <u>subscription form</u>.

" No Education, No Vote", a mandatory syllabus on EU affairs for European students was the most voted proposal at YEYS 2019



A mandatory syllabus on European politics to increase knowledge of citizens before casting their ballots was the most voted proposal in the 2019 edition of Your Europe, Your Say (YEYS), the youth event organised by the European Economic and Social Committee (EESC) on 21-22 March 2019. This initiative and three other selected proposals, focused on the use of new technologies and social media to increase participation in EU elections, will be sent to the European Parliament for their consideration.

After 2 days of lively discussions and debates, the 99 high-school students aged 16-17 selected for YEYS 2019 presented 10 recommendations during a final plenary session. Education and social media were in the spotlight, and a lot of projects combined online platforms and real life meetings, to (re)connect the civil society with policy-makers. The 4 most voted proposals were:

- 1. **No Education, No Vote**, a project of mandatory syllabus for schools all across Europe with 3 branches: practical, with visits to EU institutions; theory, with tests and presentations; and an interactive platform with quizzes and videos.
- 2. **EU&U.EU**, a website summarizing information on EU and EU elections to increase transparency and awareness among citizens with an intensive use of social media and multimedia contents.
- 3. (ex-aequo) **Europe E-VOTE**, a proposal to transform election day in a national holiday and to promote electronic voting and **From You to EU**, an initiative to connect social movements with politicians and allowing them to

work together to find solutions.

The other proposals presented by the students were:

#Insta (nt) vote: a proposal to improve EU social media accounts performance by including high quality content specifically addressed to young people, such as short videos and influencers comments as a way to increase awareness and participation.

Network of Young Europeans, a project addressed to inform on EU action and limits, to connect diverse people all across Europe and to inspire the debate through an Internet platform to organise projects and publish their outcome.

Find(ing) your voice, a project with two sections: a summit that would take place 3 times per year with a face to face dialogue and different activities with the participation of young Europeans and politicians; and a website with interactive contents and information.

Shape your future — express yourself, a project consisting in a website that would allow posting opinions on several topics targeting young people from under 26. Users could like or dislike the opinions and the most popular ones would be presented at the European Parliament.

SharEU, an APP that could be used to connect social movements to EU institutions, with specialized moderators that would submit to the European Parliament a monthly report on the initiatives posted, creating thus a closer link to the people.

Voices worth being heard, a platform where initiatives and speeches could be promoted to encourage voters to engage and fight for their own ideas. Audience would select the initiatives to be presented to the European Parliament.

Students were welcomed by **Luca Jahier**, EESC President, who said: We have to follow the example of Greta Thunberg, who was capable to mobilise a great number in a short time using a direct language. Please engage in this fight, be provocative, as you are fighting not only for your own future, but also for our future. **Isabel Caño**, EESC Vice-President for communication, closed the event with these remarks: We are proud to share your ideas, your dreams, your enthusiasm and your solutions in an institution like the EESC, where we all learn to negotiate as a way to reach consensus. **Irini Pari**, EESC member who initiated YEYS in 2010, added: Every challenge is an opportunity, and you have proven it to us. Don't let fear take control, just open your wings. Europe is yours and the world is yours.

Background:

Students were invited to share ideas about the **2019 European elections** and make proposals on specific key questions:

- How can we strengthen representative democracy in the future?
- What kind of political engagement exists beyond the European elections, and how would you take part in it?

 What in your view should be done to increase voter participation in the EP elections?

The 33 schools were selected to participate in this initiative using an electronic name picker. One school from each of the 28 EU Member States and five candidate countries (Albania, the former Yugoslav Republic of Macedonia, Montenegro, Serbia and Turkey) will be involved. A record 1038 applications were received for this 10th anniversary.

Called "Your Europe, Your Say!" (YEYS), the event is organised by the EESC, the voice of civil society at European level, and is the Committee's flagship event for young people. Through this initiative, the EESC aims to ensure that the views, experiences and ideas of the younger generation are taken on board in EU policy-making. The EESC wishes to maintain and develop its ties with British civil society beyond Brexit, and has therefore decided to engage British youth in this debate even though most likely they will not vote in the 2019 EU elections.

Further details about YEYS2019 are available on the event's official page.

Your request will be handled by the Press Office of the General Secretariat of the Council in accordance with the provisions of Regulation (EC) No 45/2001 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data.

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