



# FAQs on Brexit

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## **What is the current status of the UK-EU Brexit negotiations?**

Following the UK's referendum on withdrawal from the European Union (EU), known as 'Brexit', in June 2016, the British government formally notified the EU of its withdrawal decision on 29 March 2017. This triggered a two-year period during which the UK and the EU negotiated the conditions for an orderly withdrawal. On 19 March 2018, the parties agreed on a transition period which would run until 31 December 2020 in the event of an orderly withdrawal. EU agreements with third countries, such as Switzerland, may continue to apply to the UK during any transition period.

During this transition period, the UK would remain part of the EU's internal market and customs union (but without codecision rights). Whether the UK's withdrawal from the EU will be orderly and governed by a withdrawal agreement, and thus include a transition period, will depend on whether the EU-UK withdrawal agreement is successfully ratified. The British Parliament has rejected the agreement several times.

On 14 November 2018, negotiators for both sides reached an agreement on the draft withdrawal agreement and on the draft political declaration on future relations between the UK and the EU. The European Council (heads of state or government of the remaining 27 EU member states) approved both texts on 25 November 2018.

The European Parliament and the British Parliament still need to approve the withdrawal agreement so that it can enter into force. The House of Commons (UK) has repeatedly voted against the agreement. Therefore, the EU and UK agreed on an extension of the exit process to 31 October 2019 at the latest. If the UK agrees to an exit agreement before, it will already exit the EU the following month. It is possible that the UK will leave the EU without a withdrawal agreement (the no-deal scenario) on 31 October 2019, which means there will be no transition period.

## **What are the consequences of Brexit for Switzerland?**

At present relations between Switzerland and the UK are largely based on the bilateral agreements between Switzerland and the EU. Following the UK's withdrawal from the EU, these agreements will cease to apply to the relationship between Switzerland and the UK and in the longer term will have to be replaced by new agreements, irrespective of the outcome of the EU-UK negotiations.

Switzerland wishes to ensure that the existing mutual rights and obligations in its relationship with the UK will continue to apply as far as possible after the UK leaves the EU and, if necessary, to extend them in certain areas. The Federal Council adopted its 'Mind the Gap' strategy early on, in October 2016. On 25 April 2018, the Federal Council clarified its strategy, deciding that the possibility of temporarily continuing third-country agreements within the framework of an EU-UK transition period should also be applicable to Swiss-UK relations. This would mean that the bilateral agreements between Switzerland and the EU would continue to apply to Swiss-UK relations from the date of the UK's withdrawal from the EU until the end of the transition period.

This would extend the time frame for agreement on the future relationship between Switzerland and the UK. Nevertheless, this temporary further application of the bilateral agreements between Switzerland and the EU depends on the ratification of the withdrawal agreement between the EU and the UK.

At the same time, the Federal Council decided to create the legal basis to safeguard the existing mutual rights and obligations, as far as possible, even in the event of a disorderly withdrawal. As a result, Switzerland has concluded several provisional bilateral agreements with the UK.

## What is Switzerland's strategy towards the United Kingdom?

In October 2016, the Federal Council adopted the 'Mind the Gap' strategy aimed at ensuring as far as possible the maintenance of mutual rights and obligations in all areas that currently link Switzerland and the UK. Since then the Federal Council has been closely following developments between the EU and the UK. It has made the necessary preparations in close consultation with the UK to deal with all eventualities. Even in the event of a disorderly withdrawal (no-deal scenario), the existing rights and obligations between Switzerland and the UK should be preserved as far as possible.

Against this backdrop, the two countries have signed five agreements covering trade, transport, migration and insurance, and defined appropriate contingency measures in other areas. Particularly in view of a potential no-deal Brexit, measures have been defined for other areas that do not require new agreements (e.g. data protection). Here too, the aim is to ensure legal continuity.

The new agreements will apply from the date on which the bilateral agreements between Switzerland and the EU cease to apply to the UK (whether under a deal or no-deal scenario).

They would only come into immediate effect in the case of a disorderly withdrawal. If there is a transition period, the bilateral agreements between Switzerland and the EU will continue to apply to the UK. The new agreements (apart from the fallback arrangements for prospective immigrants) would enter into force only at the end of the transition period.

### Trade Agreement

On 11 February 2019, Federal Councillor Guy Parmelin and the UK Secretary of State for International Trade, Liam Fox, signed a new trade agreement in Bern. This agreement essentially replicates the bulk of existing economic and trade agreements between Switzerland and the EU (e.g. the 1972 Switzerland–EU Free Trade Agreement), and provides scope for future exploratory talks on developing further ties between Switzerland and the UK. The agreement does not cover any matters that require harmonisation or recognition of equivalence of rules between the parties. The trade agreement must be approved by the Swiss Parliament. If the UK leaves the EU without a withdrawal agreement, the agreement will then become applicable on a provisional basis. The foreign affairs committees of the National Council and the Council of States were consulted in January and February 2019 in accordance with the Parliament Act and unanimously approved this course of action.

### Air and overland transport Agreements

Federal Councillor Doris Leuthard and UK Transport Minister Chris Grayling signed an air transport agreement on 17 December 2018 in Zurich. The agreement ensures that existing air traffic rights will continue to apply. There are currently around 150 flights a day between Switzerland and the UK, which underscores the importance of the air transport agreement. In addition, the President of the Confederation, Ueli Maurer, and the British Ambassador to Switzerland, Jane Owen, signed a road transport agreement on 25 January 2019 in Davos. The new agreement ensures that carriers will continue to be exempted from obtaining permits in order to transport goods between Switzerland and the UK and that mutual access to the road networks for the transport of goods or passengers will be maintained. The agreement still prohibits cabotage, i.e. the transport of goods or passengers within the territory of the other state.

### Agreement on migration

Regarding the movement of persons, a key concern of the Federal Council was that in the event of the Agreement on the Free Movement of Persons (AFMP) ceasing to apply to the UK, Swiss nationals residing in the UK at that time should retain their acquired rights under Article 23 of the AFMP. On 25 February 2019, Switzerland and the UK signed an agreement to this effect. Swiss nationals who were already resident in the UK prior to Brexit will therefore retain the rights acquired under the AFMP, including residence rights, social security entitlements and the recognition of professional qualifications. Reciprocal conditions will apply to UK nationals in Switzerland. For people wishing to immigrate after the AFMP ceases to apply, Switzerland and the UK signed an agreement on admission to the labour market in the event of a disorderly EU withdrawal (no-deal scenario) on 17 April 2019. For a limited transitional period, this eases the admission requirements for citizens of one country wishing to take up gainful employment in the other. The new agreement will not apply to British and Swiss nationals who immigrate after the AFMP ceases to apply. The agreement must be approved by the Swiss Parliament. If the UK leaves the EU without a withdrawal agreement, the agreement will then become applicable on

a provisional basis. The foreign affairs committees of the National Council and the Council of States were consulted in accordance with the Parliament Act and approved this course of action.

In addition, UK citizens would continue to be exempt from any visa requirement once the UK leaves the EU. Similarly, the UK has given assurances that Swiss citizens will also remain exempt from the requirement to obtain a visa.

### **Insurance Agreement**

The President of the Confederation, Ueli Maurer, and the UK Chancellor of the Exchequer, Philip Hammond, signed an insurance agreement on 25 January 2019 in Davos. The agreement will ensure the seamless continuation of the existing rules in the direct insurance sector. Like the insurance agreement with the EU, it will enable non-life insurance companies (e.g. household, motor vehicle, travel, liability insurers) to establish and operate branches in a country of the other contracting party.

Further information and answers to additional related questions are available at the following links:

## **Agreements**

### **Trade**

- [State Secretariat for Economic Affairs \(SECO\)](#)
- [Text of the agreement](#)
- [Federal Customs Administration](#)

### **Air transport**

- [Federal Office of Civil Aviation \(FOCA\)](#)

### **Overland transport**

- [Federal Office of Transport \(FOT\)](#)

### **Migration**

- [State Secretariat for Migration \(SEM\)](#)
- [Federal Social Insurance Office \(FSIO\)](#)
- [Portal on the free movement of persons \(de, fr, it\)](#)
- [Embassy of Switzerland in the United Kingdom](#)
- [Text of the agreement](#)

### **Insurance**

- [State Secretariat for International Finance \(SIF\)](#)
- [Text of the agreement](#)
- [Accompanying decision of the contracting parties to agreement](#)

### **Data protection**

- [Federal Data Protection and Information Commissioner](#)