

One Minute Memo®



U.K. Parliament Passes Brexit Bill

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The following alert is directed to organizations with a presence in the UK or who anticipate the need to place talent at a UK work site.

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Seyfarth Synopsis: *The UK Parliament has passed the EU Withdrawal Bill, paving the way for the Government to invoke Article 50, the mechanism for leaving the European Union, by the end of March 2017.*

On March 13, 2017, the UK Parliament passed the European Union (Notification of Withdrawal) Bill. The Bill's purpose is to allow the Prime Minister to notify the European Union of the United Kingdom's intention to withdraw from the European Union, through invocation of Article 50 of the Lisbon Treaty.

The British Prime Minister, Theresa May, has previously indicated that she wishes to make the notification, triggering such withdrawal, before the end of March 2017. The passing of this Bill now makes such a timetable likely.

What Will Happen Next?

Once Article 50 has been invoked, the United Kingdom will enter into a period of negotiation with the European Union. The parties have a period of two years to negotiate an exit agreement for the UK. If no agreement has been reached by the end of the two year period, all EU Treaties that apply to the UK will be void, unless the European Council (comprised of the Heads of all Member States) agrees to continue the negotiations.

How Will This Decision Affect UK Employment and Immigration Laws?

At this stage, the rights of all EU nationals and their family members to reside and work in the UK remain unchanged. However, the attempt by some members of the House of Lords to insert a provision to protect the residence rights of EU citizens already living in the UK into the Withdrawal Bill was rejected. Therefore, the current legislation does not make any guarantees regarding the future status of this group of EU citizens. It is likely that this issue, as well as the rights of British

citizens residing in other areas of the EU, will be one of the key considerations during the negotiation period. The position regarding employment laws is uncertain. Many employment protections stem from European Directives—but much has been said lately about the UK becoming a lighter tax jurisdiction in order to attract investment, if a deal with the EU is not achieved. Typically, tax haven jurisdictions are “light touch” in employment law terms, so the political difficulties of eroding current levels of employee protection may run counter to the economic realities of the UK’s trading position.

We recommend that all EU nationals currently living in the UK apply for a residence card to confirm their status. Likewise, any British citizens living elsewhere in the EU should ensure they have the equivalent documentation which confirms their rights. They may also wish to consider applying for dual nationality to protect their rights to reside in the UK on a permanent basis. Much remains to be seen in relation to the evolution of British employment laws.

If you have any questions or would like further information, please contact your Seyfarth attorney, [Peter Talibart](mailto:ptalibart@seyfarth.com) at ptalibart@seyfarth.com, Lucy Elbourne at lelbourne@seyfarth.com, or [Deirdre Murphy](mailto:dmmurphy@seyfarth.com) at dmmurphy@seyfarth.com.

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