



A New Settlement for the UK within the EU

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I. Why is the UK holding an EU referendum?

II. How did the UK get the New Settlement?

III. What is in the New Settlement?

I. Why is the UK holding an EU referendum?

PM Cameron:

A "huge decision for our country, perhaps the biggest we will make in our lifetimes"

Chatham House 10 November 2015

Steps towards the UK referendum

23 January 2013	PM Cameron's EU speech at Bloomberg on the future of Europe
April 2015	The Conservative Party Manifesto
7 May 2015	PM Cameron wins the national election

The Bloomberg-speech:

"A real choice between leaving or being part of a new settlement".

The Conservative Party Manifesto:

"... after the election, we will negotiate a new settlement for Britain in Europe, and then ask the British people whether they want to stay in the EU on this reformed basis or leave."

II. How did the UK get the New Settlement?

Steps towards the New Settlement

25-26 June 2015	European Council meeting
July – early November 2015	Informal meetings with the UK
10 November 2015	PM Cameron's letter to President Tusk
mid – late November 2015	"Confessionals" in Council with 27 MS one by one and EP
7 December 2015	President Tusk's letter to PM Cameron

Steps towards the New Settlement

17 December 2015	European Council meeting
2 February 2016	Letter from President Tusk to the heads of state or government (HoSG) including a draft HoSG-Decision with annexes
5 and 11 February 2016	Sherpa meetings (+ EP + ECB)
18-19 February 2016	European Council meeting during which the New Settlement was agreed

III. What is in the New Settlement?

The New Settlement for the UK within the EU

Consist of 7 documents (the set of arrangements) + European Council Conclusions:

- A HoSG-decision concerning a New Settlement for the UK within the EU
- A HoSG Statement with a draft Council Decision providing a mechanism in relation to the economic governance, cf. Section A
- A European Council Declaration on competitiveness, cf. Section B
- A COM Declaration on a subsidiarity implementation mechanism and a burden reduction implementation mechanism, cf. Section B and C
- A COM Declaration on indexation of child benefits, cf. Section D, para. 2(a)
- A COM Declaration on the safeguard mechanism referred to in Section D, para. 2(b)
- A COM Declaration on abuse of the right to free movement of persons

Responds to the British requests set out in the letter from PM Cameron to President Tusk

The 4 "baskets":

1. Economic Governance
2. Competitiveness
3. Sovereignty
4. Immigration

Content of the New Settlement

HoSG-Decision - content I

Section A – Economic Governance

- Principles for mutual respect and sincere cooperation between euro and non-euro area MS
- Accompanied by a draft Council Decision establishing a mechanism with reassurances for non banking-union MS

Section B – Competitiveness

- Commitment to increase efforts to enhance competitiveness
- Accompanied by more detailed Declarations of the European Council and the Commission

HOSG-Decision - content II

Section C – Sovereignty

- "Ever closer union"
- Creates a new mechanism whereby a group of national parliaments representing more than 55% of the votes allocated to them can give a indirect "red card" via the Council

Section D – Social benefits and free movement

- Clarification of current EU rules
- Commission proposals to amend EU law:
 - (a) Option to index exported child benefits, and
 - (b) Creation of a safeguard mechanism, which will allow a MS to restrict access of newly arriving EU workers to in-work benefits for up to 4 years.

HoSG-Decision - content III

Section D – Social benefits and free movement

- Accompanied by 3 Declarations from the COM:
- 1) On indexation of child benefits
- 2) On the safeguard mechanism
- 3) On abuse of the right to free movement of persons

Section E – Application and final provisions

- Any MS may ask for a discussion of an issue related to the application of the Decision in the European Council
- Decision takes effect when the UK informs the Council SecGen that she remains a member of the EU

Form and legal nature of the New Settlement

The HoSG-Decision

- **A Decision adopted by the Heads of State or Government meeting within the European Council**
- **Inspired by the Edinburgh Decision From 1992 (Denmark and the Maastricht Treaty) and the 2009-Decision (Ireland and the Lisbon Treaty)**
- **An international law agreement**
- **Takes effect when the UK informs the Council SecGen that she remains a member of the EU**
- **If the UK votes to leave the EU, the arrangements will cease to exist, cf. European Council conclusions**