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Briefing Paper

## EU REFERENDUM: KEY FACTS

On 23 June, a referendum will take place which will allow the British public the chance to decide whether or not the country should remain in the European Union.

The wording on the ballot paper will be "Should the United Kingdom remain a member of the European Union or leave the European Union?".

The options for voters will be 'Remain a member of the European Union' or 'Leave the European Union'. The official campaign period runs between 15 April and 23 June.

The Chamber is holding several events to give members more information and help them make an informed decision and this briefing paper has been produced, in partnership with Chamber member Eversheds, to equip businesses with key information and facilitate fact-based discussion.

**Chamber position:** East Midlands Chamber (Derbyshire, Nottinghamshire, Leicestershire) is a politically-neutral organisation and won't be campaigning for either 'Remain' or 'Leave'. It will have a key role to play in representing the broad range of views from its members and to inform businesses of the facts.

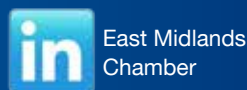
The EU referendum is a once-in-a-lifetime opportunity for people to have their say on an issue that will have a profound impact on the UK. Both sides of the debate have a responsibility to present facts to ensure the public can make an informed choice at the ballot box. It has to be right first time and it is essential that the voice of business is heard, and heeded, before the polls open.

Chamber research does not reveal deeply-entrenched positions on either side of the EU debate. Businesses simply want more information and greater clarity on issues such as EU red tape and legislation, employment law and reforms to the Single Market for goods and services.

All voters who own or run a business and employ people will need to make their decision based on the trade and economic prospects of staying in, or leaving, the EU. The Chamber is committed to ensuring they fully understand the nature of the UK's relationship with the EU, the rights and obligations it has as a member state, and the potential impact of leaving the EU.

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## The current position – key rights/responsibilities

As an EU member state, The UK currently has access to a single market across member states that allows free movement of goods, people, services and capital. The EU is the largest single market in goods in the world with over 500 million consumers.

Under the free movement of people, UK nationals are entitled to live and work across the EU, and may travel without restrictions. Approximately 1.8 million UK nationals currently live and work in other member states throughout the year, with another 400,000 working in the EU over the summer season. Approximately 2.3 million non-UK nationals from across the EU live and work in the UK, not including seasonal (mainly agricultural) migrant workers.

An entitlement to equal treatment for all EU nationals regarding employment and working conditions is enshrined in law, while the free movement of people also allows firms in the EU to establish a presence in other member states and to provide services across the EU. The free movement of capital enables all capital and currency transfers to circulate freely in the single market.

The Customs Union allows UK firms to import and export goods and services to (and from) the rest of the EU, free of tariffs or quotas.

The UK has representation in the European Council (Heads of Governments), Council of Ministers (the relevant Minister depending on the issue), the European Commission (proposing legislation, upholding EU treaties), European Parliament (in which the UK has 73 MEPs of the total of 751), and the Court of Justice.

In terms of legal jurisdiction, the EU has sole legislative power over Common Commercial Policy (negotiating trade agreements on behalf of member states), Common Fisheries Policy, EU competition law, EU Customs Union, and Eurozone monetary policy.

Shared EU/member-state competence (national regulation where possible, EU regulation where necessary) exists in Common Agricultural Policy, consumer protection, economic regional policy, energy, environment, freedom, security and justice policy, internal market, public health, social policy (including workers' rights), transport and VAT.

Under the Common Commercial Policy, the European Commission negotiates trade deals at the World Trade Organisation on behalf of the EU. The Commission coordinates with the member states through the Trade Policy Committee, conducting EU policy following the guidelines set down by the member states at the Council of Ministers.

Currently, the EU has trade agreements with 39 countries and is actively negotiating with China, India and the USA. If the UK leaves then these agreements would require renegotiation. There are differing opinions on how long this process would take and the outcomes.

## February 2016 renegotiation

In February 2016 the Prime Minister agreed a package of changes to the UK's membership of the EU. The agreement will take effect immediately if the UK votes to remain in the EU. Changes include:

- Child benefit payments to migrant workers for children living overseas to be recalculated to reflect the cost of living in their home countries.
- The ability to limit in-work benefits for EU migrants during their first four years in the UK. This 'emergency brake' can be applied in the event of 'exceptional' levels of migration, but must be released within seven years.
- The UK already has an opt-out from joining the euro without fear of discrimination, while remaining within the EU.
- Safeguards for Britain's large financial services industry to prevent Eurozone regulations being imposed on it.
- There is an explicit commitment that the UK will not be part of an 'ever closer union' with other EU member states. This will be incorporated in an EU treaty change.
- If 55% of national EU parliaments object to a piece of EU legislation, it will be re-thought.

## Alternative models of EU engagement with non-member states

There are several alternative models of engagement with the EU by non-member state countries that have been suggested may provide a template for engagement in the event of a vote to leave the EU.

**The Norwegian Model:** Norway has full access to the single market through its membership of the European Economic Area. Obligated to observe all EU regulations, it has to make payments to the EU budget. It has to abide by the four freedoms of goods, services, capital and labour. Norway is free to conclude its own free trade agreements.

**The Swiss Model:** Switzerland has negotiated bilateral agreements which give it access to EU goods markets, but only a few services. It has to abide by single market rules, contribute to the EU budget, and accept the free movement of people. Switzerland is free to conclude its own free trade agreements.

**South Korea/Canada:** Comprehensive free trade agreements are in place that enable free movement of goods for most types of manufactured and agricultural goods. Visa-free travel applies to the movement of people, although restrictions apply to the movement of services. With no formal representation within the EU, neither make a contribution to the EU budget, though are free to conclude their own free trade agreements with any other nation.

## What happens next?

Counting of votes will get underway at 382 local centres around the UK when polls close at 10pm on 23 June. These local results will be declared as the counts are completed before being collated at 12 regional centres, which will also declare the totals for each side. A straight majority is needed to provide the result. There is no minimum turnout needed.

If the majority vote is to leave the EU, the UK would negotiate a withdrawal agreement with the rest of the EU, which would take a maximum of two years and can be extended only if there is unanimous agreement between the UK and the remaining EU member states to extend the negotiating period. During that time, the UK would continue to be a full member of the EU and would continue to be required to abide by EU treaties and laws. It would continue to take part in all EU decision-making except in relation to the withdrawal and relationship arrangements.

**Further details about the issues highlighted in this report have been produced by Chamber member Eversheds and [can be viewed online here.](#)**



East Midlands Chamber (Derbyshire, Nottinghamshire, Leicestershire) represents more than 3,900 paid-up members and thousands more affiliates and partner organisations from across the region. Its broad representation ranges from the largest PLCs to SMEs and sole traders.

To discuss the Chamber's policy work or for any further information please contact East Midlands Chamber's Head of Policy, Chris Hobson, on 0333 320 0333 or [chris.hobson@emc-dnl.co.uk](mailto:chris.hobson@emc-dnl.co.uk).