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UK-EU future relationship negotiating timetable: extending the transition

By Stefano Fella

Summary

UK-EU negotiations on the future relationship began in March following the UK withdrawal from the EU. Both the UK and EU are seeking to negotiate a new agreement that can be in place following the end of the post-Brexit transition period. The UK continues to be part of the EU single market and customs union during the transition period. The transition period will end on 31 December 2020, but it can be extended by UK-EU agreement for up to two years. Under the Withdrawal Agreement any decision to extend must be taken before 1 July 2020.

The diversion of political attention and interruption to the negotiating timetable because of the coronavirus crisis has led to increased calls for the transition period to be extended. The UK Government has said it will not seek an extension and will refuse one if the EU asks. The Government has also legislated to prohibit the UK agreeing to an extension. If the Government was to change its mind, new legislation to repeal this prohibition would need to be enacted. The terms of extension would also need to be negotiated with the EU. An extension would require agreement on its duration and on a UK financial contribution to the EU for the extended period.

The Withdrawal Agreement does not allow for a decision to extend the transition period after 30 June. Some commentators have suggested that an implementation or transition phase similar to the current transition arrangements could be agreed as part of a new future relationship agreement. Both the UK and EU have expressed scepticism towards this idea.

1. Negotiations timetable

Negotiations on the future relationship between the UK and EU began on 2 March. The revised UK-EU [Withdrawal Agreement](#) (WA) and accompanying [Political Declaration](#) on the EU-UK future relationship in October 2019 together established an outline timetable for negotiations (see chart below).

The WA provides for a [transition period](#), during which EU law (with a few exceptions) continues to apply to the UK. This ends on 31 December 2020, but the WA allows for a one-off extension to the transition period of up to two years. This would need to be agreed by both the UK and EU in the Joint Committee that oversees the WA. Article 132 of the WA provides a deadline of 1 July 2020 by which any such decision would have to be taken in the Joint Committee.

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The PD sets out the shared intent of the UK and EU to get future relationship agreements in place by the end of 2020. This would be with the aim of implementing the new relationship as soon as the transition period ends. Without an agreement in place, the UK-EU trading relationship will revert to WTO rules. Arrangements governing UK-EU co-operation in several policy areas will cease.

The PD also sets out dates by which other objectives should be achieved. It commits the UK and EU to using their best endeavours to conclude and ratify a fisheries agreement by 1 July 2020. They should also conduct equivalence assessments for financial services by the end of June 2020. And they are expected to reach data adequacy decisions by the end of 2020.

The PD provides for a high level UK-EU meeting to take place in June 2020 to assess progress in the negotiations.

When presenting the draft EU negotiating directives on 3 February, Michel Barnier set out a [timeline for negotiations](#) which envisaged negotiations being concluded by the European Council (EU heads of state or government) meeting on 15-16 October 2020. This would allow time for ratification of any agreement so that it would be ready for implementation on 1 January 2021. Negotiation of any outstanding issues could then continue in 2021.

Revised timetable

At the end of February, the UK and EU published agreed [terms of reference](#) for the negotiations. This provided for five rounds of negotiations to have taken place by the middle of May 2020, with further rounds to be mutually agreed. The envisaged high level UK-EU meeting in June would “take stock of progress, with the aim of agreeing actions to move forward in negotiations”.

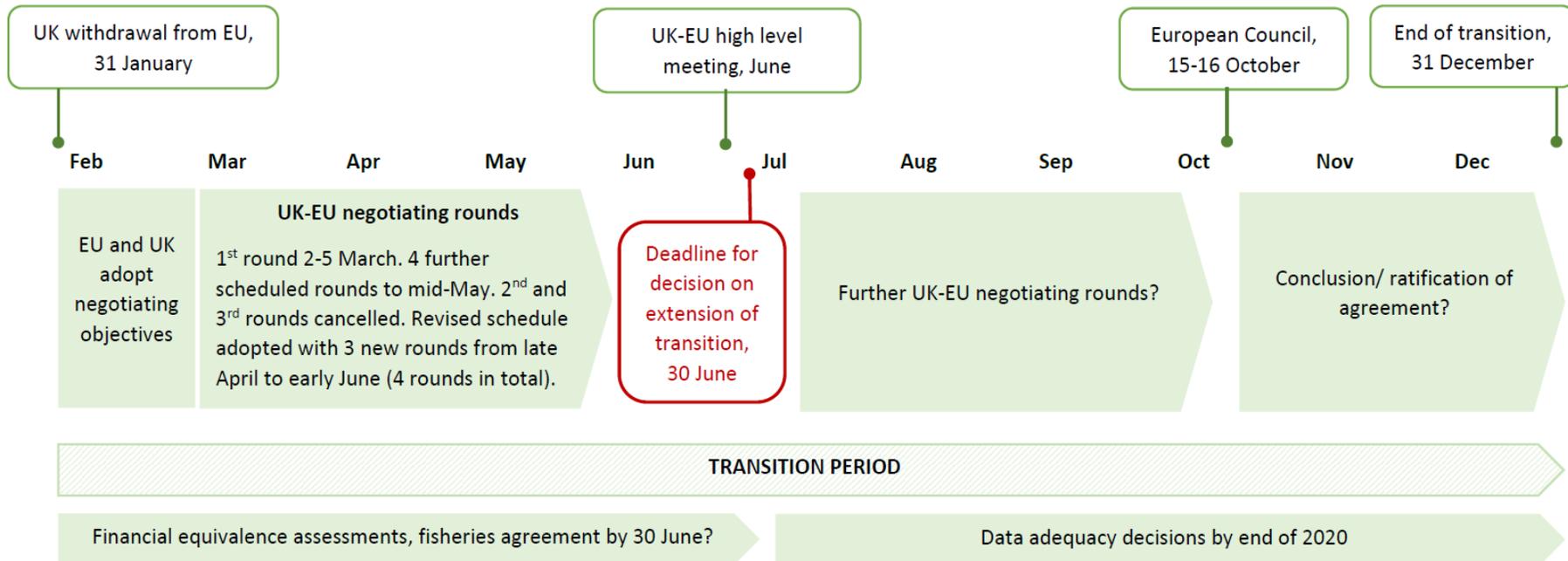
The scheduled second and third rounds of negotiations did not take place because of the coronavirus lockdown across Europe. On 15 April, the two lead negotiators, David Frost (UK) and Michel Barnier (EU) [announced a new schedule of negotiations](#). This would involve three new rounds to take place by videoconference in the weeks commencing 20 April, 11 May and 1 June.

The revised timetable means that three negotiating rounds had taken place by mid-May rather than the originally planned five. The fourth negotiating round will take place from 2 to 5 June.

The proposed timeline for concluding an agreement by the end of 2020 was seen as ambitious by [several commentators](#). The loss of negotiating rounds, the switch to negotiating by videoconference and the diversion of resources and political attention towards addressing the coronavirus outbreak has increased concerns about the viability of the timeline. Even if an agreement is agreed and ratified by the end of the year, concerns have been raised about the viability of expecting businesses to adapt to the new arrangements in time, particularly in the wake of the disruption caused by the coronavirus.¹

¹ The challenges of agreeing, ratifying and implementing an agreement in time are discussed in the Institute for Government publication, [Implementing Brexit - Securing more time](#), 30 May 2020, p6-12.

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Statements from the two chief negotiators and reports from the negotiations indicate that there are major differences between the two sides on several key issues. See Commons Briefing Paper 8923 [The UK-EU future relationship: the March 2020 EU draft treaty and negotiations update](#) for a summary of the negotiations.

In his statement following the second round of negotiations on 24 April, Mr Barnier suggested it would be realistic to think about

whether in the midst of the terrible economic crisis that is forecast due to the coronavirus crisis, we will be able to reach an intelligent agreement that limits the shock that the UK's departure from the Single Market and Customs Union will entail in any case.²

He said the clock was “ticking” with eight months to go to advance on the three workstreams of implementing the WA, negotiating the future partnership and preparing for “the negative economic consequences that the end of the transition period will entail”.

In his evidence to the House of Commons Future Relationship Committee on 27 April, the Minister for the Cabinet Office Michael Gove suggested that the coronavirus crisis “in some respects should concentrate the minds of EU negotiators, enforcing the vital importance of coming to a conclusion”, adding later that “deadlines concentrate minds.” He said that it was “still entirely possible to conclude negotiations on the timetable that has been outlined” and that there was a “better than 2-1” chance of deal.³

2. Calls for the transition period to be extended

The coronavirus outbreak and the disruption to the future relationship negotiating timetable has led to increased calls for an extension to the transition period.

The [Scottish](#) and [Welsh](#) Governments, Scottish National Party, the Liberal Democrats and MPs from other parties have called on the UK Government to seek a transition. Several [other organisations](#), [former UK diplomats](#) and other commentators⁴ and the [main centre-right EPP group](#) in the European Parliament have also called for an extension.

Interviewed for an article in Prospect magazine, the former UK Permanent Representative to the EU, Sir Ivan Rogers said that given an agreement was unlikely by the end of the year, the Government

is in reality forcing firms which are facing an existential crisis over Covid-19 right now—and for the next several months—to prepare simultaneously for a no-deal exit at year end.

² European Commission, [Press statement by Michel Barnier following the second round of future relationship negotiations with the United Kingdom](#), 24 April 2020.

³ Committee on the Future Relationship with the European Union, [Oral evidence: Progress of the negotiations on the UK's Future Relationship with the EU](#), HC 203, 27 April 2020..

⁴ See for example: Sam Lowe, [Why the UK should extend the transition period](#), Centre for European Reform, 20 April 2020; and Anand Menon and Angus Armstrong, [Let's get serious: we need to extend the transition period with the EU](#), *The Guardian*, 19 April 2020. Others have argued against the transition. For example, see Shanker Singham [Brexit – and why the transition period must not be extended beyond December this year](#), 14 April 2020.

He said this “carries risks of seriously exacerbating a very difficult economic position at that point, and of disrupting supply chains across the channel at a time they may be critical for the UK”.⁵

The Scottish Cabinet Secretary Michael Russell said on 20 April that it was “reckless” for the UK Government to continue negotiations at the height of the coronavirus crisis and called on it to seek the maximum two-year extension of the transition period. He said:

The Scottish economy cannot afford the double hit of COVID-19 and the growing likelihood of a ‘no deal’, or at best a hard Brexit deal, in less than nine months’ time.⁶

In an interview with the *Observer* published on 26 April Norbert Röttgen, chair of the Bundestag’s foreign affairs committee and a member of the ruling CDU party in Germany said seeking an extension to transition was the only sensible option for the UK. He said:

Before the current coronavirus crisis, I think it would have been possible to have a minimum agreement with the UK on the broad outlines to avoid a crash [the UK crashing out with no deal], with more detailed negotiations then taking place afterwards.

I can’t imagine now that this is possible, given the fact that all the EU countries, Brussels and London are so absorbed by the pandemic – and this will go on. Given this situation, I don’t believe that there is a realistic possibility any longer to even achieve the necessary minimum. So you have to extend.⁷

On 15 May, the SNP Westminster leader Ian Blackford, acting leader of the Liberal Democrats Sir Ed Davey and MPs from the Green Party, Plaid Cymru and two Northern Ireland parties (the Social Democratic and Labour Party and the Alliance Party) [wrote](#) to Michel Barnier in support of extension of the transition period.

The Labour party leader, Keir Starmer, said on 5 April that keeping to the deadline of ending the transition on 31 December would be “[unlikely](#)” and the Government should seek to extend if necessary. When asked on 11 May whether he would support an extension, Mr Starmer said that he didn’t think the current timeline was practical, but that “we’re going to hold them to that”. He added:

I’ve not called for a pause because the government says it’s going to get it done by the end of the year. So let’s see how they get on.⁸

Raoul Ruparel, formerly Europe adviser to Theresa May when she was Prime Minister, has suggested a compromise proposal on transition extension. He proposes a “preparation, ratification and engagement period” whereby the UK and EU would agree, by 30 June, on a conditional extension of the transition period of six or nine months, if an initial agreement has been reached by a set point later in the year. This would not be an extension to continue negotiations, but to implement whatever has been agreed during the negotiations.⁹

3. Government position on transition extension

The Government has repeatedly stated that it will not agree to an extension of the transition period. This was a [Conservative manifesto commitment](#) at the December 2019

⁵ Prospect, [Civil service grandees call for Brexit transition extension](#), 22 April 2020.

⁶ Scottish Government, [Extend Brexit transition during COVID 19 crisis](#), 20 April 2020

⁷ *The Observer*, [UK will need to extend Brexit transition, Merkel ally warns Britain](#), 26 April 2020.

⁸ *The Independent*, [Keir Starmer refuses to back Brexit transition extension](#), 11 May 2020

⁹ *Politico*, [A solution to the Brexit transition conundrum](#), 17 May 2020.

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general election. The Government subsequently legislated to prohibit itself from agreeing an extension to the transition. The [EU \(Withdrawal Agreement\) Act](#) in January 2020, inserted [section 15A of the EU \(Withdrawal\) Act 2018](#) to introduce this prohibition. On 18 March Boris Johnson said that he had [no intention of changing this legislation](#).

The UK Government has continued to reject the possibility of a transition extension. On 16 April, David Frost [tweeted](#):

Transition ends on 31 December this year. We will not ask to extend it. If the EU asks we will say no.

He [added](#):

Extending would simply prolong negotiations, create even more uncertainty, leave us liable to pay more to the EU in future, and keep us bound by evolving EU laws at a time when we need to control our own affairs. In short, it is not in the UK's interest to extend.

On the same day, the Prime Minister's spokesperson reiterated this position and was [quoted](#) as saying that extending the transition would:

keep us bound by EU legislation at the point where we need legislative and economic flexibility to manage the UK response to the coronavirus pandemic.

In his evidence to the to the Commons Future Relationship Committee on 27 April, Mr Gove said that one of the reasons the UK wanted to be outside of the legal architecture of the EU was "so that we can have the maximum flexibility when it comes to state aid, to Government procurement and to other steps that we may need to strengthen our economy". He also said that

If we were to extend, it would involve us paying more money into the European Union at a time when that money could be spent on our National Health Service. It would involve us accepting not just the existing EU acquis but potentially new EU laws over which we would have no say, which could potentially constrain this country. Those EU laws would be shaped in the interests of the EU 27, rather than the UK as well.

Moreover, he said that an extension of the transition would remove the incentive to come to an agreement.

Mr Gove was asked about the Government's capacity to complete the negotiations when Government officials had been redeployed to deal with the coronavirus crisis. He said that 47 UK officials had been redeployed from the EU future relationship negotiations and end of transition preparations to the Government's response to the coronavirus. But he said that the work of the UK negotiating team had been supplemented by officials from across Whitehall who were subject specialists in their areas, and that negotiators had "all the help they need" to ensure their work could continue.¹⁰

In his evidence to the House of Lords EU Committee on 5 May, Mr Gove said that while the coronavirus outbreak was the Government's principal focus "the Government have now developed a rhythm of decision-making that means that the bandwidth of Ministers . . . allows them to carry on with other business-as-usual activity". He also said that over a hundred civil servants from various different government departments had supported David Frost in the second round of negotiations in April.¹¹

On 27 April, the *Huffington Post* cited a Government source who said:

¹⁰ Committee on the Future Relationship with the European Union, [Oral evidence: Progress of the negotiations on the UK's Future Relationship with the EU](#), HC 203, 27 April 2020..

¹¹ House of Lords Select Committee on the EU, [Uncorrected oral evidence](#), 5 May 2020.

Ultimately either there is an agreement to be made or there's not . . . There's a view that an extra six months or a year doesn't fundamentally change that.

The *Huffington Post* referred to Government concerns in three areas when it came to extending the transition period. These related to EU state aid rules, the EU budget and possible EU regulation relating to coronavirus.

On state aid while the European Commission had relaxed state aid rules in light of the coronavirus crisis and approved [UK schemes](#) to support businesses,¹² the *Huffington Post* reports the UK wants to maintain flexibility given the economic effects of the crisis could last years.

On EU regulation, the *Huffington Post* reports that the UK government does not want to be bound by any regulations the EU introduces in response to coronavirus "instead wanting to be free to forge its own path". It cites a UK source close to the negotiations who said: "There's a lot of uncertainty about how the EU will respond, we won't necessarily have the flexibility to respond in ways we want to".¹³

On the EU budget, there are concerns that extending the transition will require a higher UK financial contribution given plans for a higher budget to help EU economies recover from the crisis. As discussed below in section 4, the UK's contribution during an extended transition would be determined by the Joint Committee, taking the UK's status during the period into account.

In his evidence to the House of Lords EU Committee on 5 May, Mr Gove said

. . . one additional complicating factor is that the current EU multiannual financial framework ends at the end of this calendar year. A new MFF will be decided by the EU 27 and we will not have a voice in that process, so even the limited say we had in setting the MFF while we were an EU member will have gone. Therefore, we cannot know precisely what bill we might be saddled with, or have to assent to, were we to agree to another continued year, or even two years, of transition.

Mr Gove said that the UK thought it in "nobody's interests" for there to be an extension. If the EU was to ask for one he could not "imagine us saying anything other than no".¹⁴

Both Mr Gove and David Frost gave oral evidence to the Commons Future Relationship Committee on 27 April. Mr Frost reiterated that "it is the firm policy of the Government that we will not extend the transition period and, if asked, we would not agree to it".¹⁵

4. Process for extending transition period

If the UK Government was to change its position and seek an extension to the transition period, this would have to be agreed with the EU in the Joint Committee meeting scheduled for June. Changes to domestic legislation would be required to enable this. Notably, primary legislation would be needed to repeal the prohibition in section 15A of the *EU (Withdrawal) Act 2018* on UK Ministers agreeing to an extension in the EU-UK Joint Committee. Primary legislation would also be required to amend section 39 of the *EU (Withdrawal Agreement) Act 2020* which defines the date in domestic law when the

¹² See section 1.4 of Commons Library briefing 8871, [Coronavirus: Support for economies by European and other states](#)

¹³ *Huffington Post*, [Despite Coronavirus, No.10 Won't Extend The Brexit Transition. Here's Why](#), 27 April 2020.

¹⁴ House of Lords Select Committee on the EU, [Uncorrected oral evidence](#), 5 May 2020.

¹⁵ Committee on the Future Relationship with the EU, [Oral evidence: Progress of the negotiations on the UK's future relationship with the EU](#), HC 203, 27 May 2020.

transition period will be completed.¹⁶ For further discussion of this, see Commons Library Insight, [Coronavirus: Is it possible to extend the Brexit transition period?](#)

Negotiations would also need to take place between the UK and EU prior to the Joint Committee meeting, in order to agree the duration of the transition period (Article 132 of the WA provides for one single extension) and the UK's financial contribution in this period. It is possible that a "flexextension" could be agreed, involving earlier termination of the agreed extended period if an agreement was ready for implementation. However, this might cause problems in agreeing the UK financial contribution (see below).

Discussions would also be required within the EU, among the Member States, to agree the position that the EU would take in the negotiations with the UK on extending the transition. The [Council Decision on the conclusion of the Withdrawal Agreement](#) on 30 January 2020, provides that the Commission represents the EU in the Joint Committee but that positions taken are to be established by the Council (Member State ministerial representatives) in accordance with the procedures set by [Article 16\(1\) of the Treaty on European Union \(TEU\)](#). This refers to the Council's legislative and budgetary functions (jointly with the European Parliament) and its broader policy-making and coordinating functions. The Council decision also provides that where the Joint Committee is called upon to adopt acts having legal effects, the positions to be taken on the EU's behalf in the Committee are to be established in accordance with the procedure set out in [Article 218\(9\) of the Treaty on the Functioning of the EU](#). This procedure provides that the Council establishes the positions to be adopted on the EU's behalf in a body set up by an international agreement.

UK financial contribution in an extended transition period

The end of the transition period is currently scheduled to coincide with the end of the EU's current seven year [multiannual financial framework](#) period. The UK is currently continuing to pay into the EU budget under the pre-agreed terms of the 2014-2020 MFF.¹⁷ Extending the transition would mean that the UK would be required to make a financial contribution to the EU, with the amount payable to be determined by the Joint Committee. Article 132(3) of the WA states that the Joint Committee would agree the amount payable, taking into account the UK's status during the period and the schedule for making payments. Article 132(2) provides that in an extended transition period the UK would be considered as a third country for EU programmes and funding under the next budget plan (the MFF for 2021-27). The UK could potentially participate in such programmes but would do so according to the EU's rules for third countries.¹⁸

A further complication is that the MFF for 2021-27 has yet to be agreed. Reaching agreement on the next MFF has proved difficult, and the situation has been further complicated by the coronavirus outbreak which has interrupted talks and led to [proposals for new financial instruments](#) to support the recovery of EU economies. On 23 April, the European Council (EU leaders) asked the European Commission President Ursula von der Leyen to draw up a new expanded MFF plan involving a new emergency recovery package for the EU. The European Commission published a proposal for an expanded EU budget for 2021-27 on 27 May. The proposal involves the European Commission borrowing €750

¹⁶ Alternatively, Professor Catherine Barnard and Professor Alison Young have argued that the relevant provisions of the *EU (Withdrawal) Act 2018* could be amended using the "Henry VIII" power of section 41 of the *EU (Withdrawal Agreement) Act 2020*. See: [Delivering an extension of the transition period](#), The UK in a Changing Europe, 20 April 2020.

¹⁷ Specifically, Member States' contributions are determined by the [Own Resources Decision](#), which is agreed alongside the MFF. See Box 2 of the Library briefing [A guide to the EU budget](#) for more.

¹⁸ See section 5.11 of Commons Library Briefing Paper 8453, [The UK's EU Withdrawal Agreement](#) and European Scrutiny Committee, Ninth Report of Session 2019-21, 21 May 2020, [Section 5](#)

billion on capital markets to finance a [new EU recovery fund](#). The plan still needs to be agreed by the EU Member States.

If there was a decision to extend the transition, the UK financial contribution for the extended period would involve lump sum payments that could be used by the EU for any part of its planned expenditure. However, this would not involve any new liabilities or legal responsibility for the EU's spending or debt, because the EU's budgetary legislation would not apply to the UK.

5. EU view on extending the transition period

In his press statement following the second round of negotiations on 24 April, Michel Barnier noted that the UK Government had made clear that it would not extend the transition period. However, he said the EU was not "[closing the door](#)" to an extension. He [recommended](#) that the two sides work hard until June "and think carefully about our joint response to this question of extension, taking into account the economic situation and the consequences of our decisions".

Mr Barnier also said there [would have to be a UK financial contribution](#) in an extended transition period. He said this would not be a payment into the EU budget, but a contribution to remain part of the single market and customs union for the agreed period.

Mr Barnier [responded to the letter from opposition MPs](#) on 25 May. He said that the EU remained determined "to build a new and ambitious partnership with the United Kingdom in the short time that is available, given your government's repeated statements that it will not agree to an extension of the transition period". On the question of a possible extension he said:

Such an extension of up to one or two years can be agreed jointly by the two parties. The European Union has always said that we remain open on this matter. Any extension decision has to be taken by the Joint Committee before 1 July, and must be accompanied by an agreement on a financial contribution by the United Kingdom.

Speaking at an Institute for Government event on 29 May 2020, Stefaan de Rynck, senior adviser to Michel Barnier, said that there would be "[no surprises](#)" beyond the financial contribution agreed by the UK and EU if a decision was made to extend the transition. He said the WA was very clear that if there was a decision to extend, the UK and EU would have to agree a lump sum and "once that lump sum is defined ... that it's basically" in terms of the UK financial contribution for the period. This would not change whatever happened matter on the EU side with regards to the MFF, and new recovery instruments. The UK would no longer participate in the EU budget and would not have to take part in EU programmes. If the UK wanted to participate in EU programmes, this would need to be defined in the agreement between the EU and UK to extend.

6. Extending the transition after the Withdrawal Agreement deadline

[Article 132 of the WA](#) specifies that a decision to extend the transition period is a "single decision" to be taken "before 1 July 2020". The WA does not provide for any other way of amending the transition end date. Even if both parties were amenable to a subsequent amendment of the WA to allow an extension to be agreed after 30 June, the EU side

would need to identify a legal base in the EU Treaties in order to do this. The WA itself was agreed under Article 50 TEU which provides for an agreement between the EU and a Member State that has decided to withdraw from the EU. But following the UK's withdrawal from the EU it is a third country and no longer a Member State. Legal experts have therefore questioned whether the WA could be amended or a further agreement made under Article 50 enabling the transition period to be extended.¹⁹

According to Jean-Claude Piris, the former director-general of the Council of the EU's legal service, the EU does not have the power to use Article 50 again in the case of the UK and "does not have the power to modify the institutional provisions of the WA". Therefore, the only way to decide on an extension of the transition "is to do it before the end of June 2020".²⁰ At the Institute for Government event on 29 May 2020 Stefaan de Rynck said he agreed with the Piris interpretation that "Article 50 is exhausted as a legal basis" as the UK is now a third country and no longer a withdrawing Member State. Therefore, the decision to extend the transition "needs to be done by the end of June ... [otherwise there is no extension to the transition](#)"

One other way that has been mooted of extending the transition period, or at least establishing a new transition period containing some continuity in current arrangements is to have an implementation phase as part of a new agreement with the EU. This could be part of the new comprehensive future relationship agreement with the EU, a separate distinct sectoral agreement or a standalone agreement²¹. Such an approach might be difficult to agree.

A transition or implementation period involving continuity of all current arrangements would most likely require a mixed agreement. This is because certain elements of the arrangements, such as freedom of movement and continuing judicial and security co-operation, might go beyond the EU's "exclusive competences" and either fall within areas of Member State competence or areas of shared competence where Member States were not agreeable to the EU exercising that competence.

A mixed agreement would require agreement from the Council of the EU, and the consent of the European Parliament. It would also be subject to the national ratification processes of Member States, meaning it would need to be adopted by national legislatures and in some cases regional parliaments. Certain provisions of the agreement could however be applied "provisionally" pending ratification in the Member States. This has happened with other EU international agreements, such as the EU-Canada trade agreement. In the [PD](#) on the future EU-UK relationship, there is a reference to the European Commission's willingness to propose applying relevant aspects of the future relationship on a provisional basis (paragraph 139).²²

Steve Peers, Professor of EU, Human Rights and World Trade Law at the University Essex has suggested that an EU-UK association agreement, applied provisionally, with

¹⁹ See: *Prospect*, [We have until July to ask Europe for more time. How firm is that deadline?](#), 7 February 2020; EU Law analysis, [Avoiding the next Brexit Cliff-Edge: Extending the Transition Period for the UK after 1 July 2020](#), 30 January 2020; and Institute for Government, [Implementing Brexit - Securing more time](#), p18-21.

²⁰ Jean Claude-Piris, [Extending the Brexit transition period after 30 June 2020](#), *Encompass*, May 2020

²¹ The Institute for Government suggests either a standalone agreement establishing a transition period or a transition period as part of a future relationship treaty could be possible. It also suggests a standalone transition phase to prepare for the absence of an agreement as a possible, though unlikely, scenario. See [Implementing Brexit - Securing more time](#).

²² Some of the complications around ratification of 'mixed agreements' are discussed in section 2.1 of Commons Library briefing paper 8834, [The UK-EU future relationship negotiations: process and issues](#): (p27-28).

something akin to the [transition period as the initial phase](#) could be possible. Sam Lowe of the Centre for European Reform suggests that a new implementation or standstill period could be agreed, and this could be limited to areas of exclusive EU competence in order to avoid the need for ratification by national parliaments. This could involve the UK remaining in the single market for goods and the customs union for a temporary period.²³ However, such solutions would still require the conclusion of an agreement by the UK and EU of some sorts before the end of the year.

Whether the EU would be willing to agree to an initial phase resembling the transition period as part of a new agreement if legal obstacles were overcome is also open to question. Stefaan de Rynck indicated on 29 May that the EU [might not be keen](#) on the idea of an implementation phase for a new agreement:

I don't think we will want to invent new systems of preparation. We will just have to be ready to implement the new relationship on 1 January.

In his evidence to the House of Commons Future Relationship Committee on 27 May, Michael Gove said:

We are not considering an implementation phase. We believe that, whether you call it an implementation or transition period, staying within the purview of the EU would mean additional costs for the UK taxpayer and being subject to additional EU laws.

Mr Gove said the Government would however be making sure that businesses adjust appropriately to the situation on the 1 January.²⁴

²³ Sam Lowe, [Why the UK should extend the transition period](#), Centre for European Reform, 20 April 2020

²⁴ Committee on the Future Relationship with the EU, [Oral evidence: Progress of the negotiations on the UK's future relationship with the EU](#), HC 203, 27 May 2020.

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