



## DEBATE PACK

Number CDP 2017-0148 | 17 July 2017

# Exiting the European Union and sanctions

**General debate**  
**Main Chamber**  
**Wednesday 19 July 2017**

The proceedings of this debate can be viewed on [Parliamentlive.tv](http://Parliamentlive.tv)

The House of Commons Library prepares a briefing in hard copy and/or online for most non-legislative debates in the Chamber and Westminster Hall other than half-hour debates. Debate Packs are produced quickly after the announcement of parliamentary business. They are intended to provide a summary or overview of the issue being debated and identify relevant briefings and useful documents, including press and parliamentary material. More detailed briefing can be prepared for Members on request to the Library.

Compiled by:  
Tim Robinson

Subject specialists:  
Jon Lunn  
Arabella Lang

### Contents

<b>1.</b>	<b>Background</b>	<b>2</b>
<b>2.</b>	<b>Reading list</b>	<b>4</b>
<b>3.</b>	<b>PQs</b>	<b>6</b>
<b>4.</b>	<b>Other Parliamentary material</b>	<b>8</b>
4.1	Debates	8
<b>5.</b>	<b>Further reading</b>	<b>9</b>

# 1. Background

Many of the legal powers that allow the UK to impose and implement sanctions flow from the 1972 *European Communities Act* (ECA). The previous Conservative government took the view that new legal powers will be required once the ECA has been repealed. It [said](#):

The UK needs to be able to impose and implement sanctions in order to comply with our obligations under the United Nations (UN) Charter and to support our wider foreign policy and national security goals. Many of our current powers flow from the European Communities Act 1972 so we will need new legal powers to replace these.

The previous government said:

It is not possible to achieve this through the Great Repeal Bill, as preserving or freezing sanctions would not provide the powers necessary to update, amend or lift sanctions in response to fast moving events. This would leave us in breach of our international obligations and unable to work effectively with our European and international partners to tackle shared challenges.

The new Conservative minority government takes the same view. The Queen's Speech last month confirmed that an 'International Sanctions Bill' will be tabled during the current 2017-19 parliamentary session.

According to the [background briefing notes](#) that accompanied the Queen's Speech in June, the main benefits of the International Sanctions Bill will be:

- To ensure that, as a permanent member of the UN Security Council, the UK continues to play a central role in negotiating global sanctions to counter threats of terrorism, conflict and the proliferation of nuclear weapons, as well as bringing about changes in behaviour.
- To return decision-making powers on non-UN sanctions to the UK.
- To enable the UK's continued compliance with international law after the UK's exit from the EU.

The main elements of the Bill will be:

- To provide a domestic legislative framework to allow the Government to:

- o impose sanctions to ensure compliance with obligations under international law after the UK's exit from the EU. These include asset freezes, travel bans and trade and market restrictions;
- o ensure individuals and organisations can challenge or request a review of the sanctions imposed on them;
- o exempt or license certain types of activity, such as payments for food and medicine, which would otherwise be restricted by sanctions;
- o amend regulations for anti-money laundering and counter-terrorist financing and to pass new ones after the UK's exit from the EU.

In April 2017 the previous government launched a public [consultation exercise](#). This exercise ended on 23 June. An [official response](#) is expected, after which the Bill will be introduced.

Repeal of the ECA is to be done via the European Union (Withdrawal) Bill, which was published on 13 July. This Bill was previously known as 'the Great Repeal Bill'.

## 2. Reading list

The following is a selection of media articles and blog posts relevant to this debate.

Please note: the library is not responsible for either the views or accuracy of external content.

### **EU and UK Sanctions Update: July 2016**

K&L Gates

22 July 2016

Raminta Dereskeviciute, Philip Torbøl and Alessandro Di Mario

### **Looking ahead: Financial sanctions in post-Brexit Britain**

Taylor Wessing

12 July 2017

Paul Glass and Christopher Wheatley

### **Sanctions: the Brexit Effect**

Clyde and Co

2 May 2017

Henrietta Wells and Nigel Brook

### **UK drawing up post-Brexit sanctions plan**

BBC News

28 April 2017

James Landale

### **UK Plans Post-Brexit Financial Sanctions Regime**

Law 360

24 April 2017

William Shaw

### **House of Commons report on Russia sanctions and Brexit**

European Sanctions Blog

11 April 2017

Maya Lester

### **UK sanctions and export controls: impact of Brexit?**

Norton Rose Fulbright

21 November 2016

Jason Hungerford and Paul Whitfield-Jones

### **Brexit's implications for UK and European sanctions policy**

Centre on Global Energy Policy

October 2016

Richard Nephew and David Mortlock

### **Brexit stirs doubts about future of EU sanctions regime**

MLex

19th August 2016

Matthew Holehouse

**UK to 're-assess its sanctions regimes' after 'Brexit' vote**

World Export Controls Review  
Undated

**UK 'Brexit' shocks the world and creates an uncertain future for European sanctions implementation**

Sanctions Alert.com  
30 June 2016  
Anna Sayre

**Russia and Iran delight in UK's rejection of EU**

The Guardian  
24 June 2016  
Julian Borger and Patrick Wintour

**What would Brexit mean for EU sanctions policy?**

European Council on Foreign Relations  
23 March 2016  
Erica Moret

## 3. PQs

### **Common Defence and Security Policy**

**10 Jul 2017 | 627 c8**

**Asked by: Kerry McCarthy**

I thank the Secretary of State for that response. Last week, giving evidence in the Lords, Baroness Ashton, Lord Robertson and Lord Hague all expressed concern about the impact of Brexit on our influence in the world. Does the Secretary of State agree with Lord Hague that we should be seeking permanent membership of the EU's Political and Security Committee to ensure that we can lead a united response on issues such as sanctions on Iran and that we have a united voice on the Falklands?

**Answered by: Sir Michael Fallon | Party: Conservative Party |**

**Department: Defence**

After Brexit, we will still have the largest defence budget and the largest navy in Europe. We have a range of assets and capabilities on which other countries in Europe will want to continue to work with us. So far as foreign policy is concerned, we have not yet got to the point in the negotiations of sorting out exactly what the relationship will be, but let me assure the hon. Lady that I expect to continue our co-operation with my fellow Defence Ministers.

### **Sanctions**

**20 Apr 2017 | HL6711**

**Asked by: Lord Horam**

To ask Her Majesty's Government, further to the answer by the Foreign Secretary on 28 March (HC Deb, col 117), whether the forthcoming White Paper will concern (1) their policy approach to sanctions co-operation with the EU after Brexit, (2) the implementation of such measures, or (3) both; and when that White Paper will be published.

**Answering member: Baroness Anelay of St Johns | Foreign and Commonwealth Office**

The White Paper is to be published very soon. As the Prime Minister has said, we will continue to work closely with our European allies in foreign and security policy. This includes our approach to sanctions, which are an important foreign policy tool.

### **Leaving the EU: Defence**

**21 Feb 2017 | 621 c861**

**Asked by: Emma Reynolds**

The Foreign Secretary mentioned the sanctions against Russia over its actions in Ukraine. Will the Minister confirm that even when we leave the EU it will be open to us to democratically agree such sanctions with the rest of the EU where it is in our mutual interest?

**Answered by: Sir Alan Duncan | Foreign and Commonwealth Office**

That is not specifically a question about defence policy, as on the Order Paper, but none the less I can reassure the hon. Lady that the answer is yes. Some kind of parallel structure for implementing sanctions will be required and I am sure will be agreed.

**Russia: Sanctions  
07 Jul 2016 | 41678****Asked by: Tom Blenkinsop**

To ask the Secretary of State for Foreign and Commonwealth Affairs, what assessment he has made of the potential effect of the UK leaving the EU on the (a) UK's and (b) EU's sanctions policy for Russia.

**Answering member: David Lidington | Foreign and Commonwealth Office**

The UK has been at the forefront of international efforts – in the EU, NATO, G7 and OSCE – to hold Russia to account for its aggression in Ukraine, and will continue to do so. The European Council, like the G7, has agreed that sanctions are linked to full implementation of the Minsk agreements. The Government will continue to push for this commitment to be upheld. EU economic sanctions against Russia were recently extended by unanimity for a further six months, until 31 January 2017.

**EU Sanctions: Russia  
24 May 2016 | 611 c380****Asked by: Geraint Davies**

On the Ukraine, does the Secretary of State accept that Russian bombing of Syrian civilians to provoke refugees and possibly to tilt the balance in favour of Brexit is part of a strategy to fragment European resolve on Ukraine? He is frowning—obviously he has not thought about that.

**Answered by: Philip Hammond | Foreign and Commonwealth Office**

There is definitely a Russian strategy to try to fragment European resolve. It is probably a step too far to suggest that Russia's engagement in Syria is designed only to apply pressure over Ukraine. Russia has important and historical equities in Syria and is seeking to defend its interests there. But, overall, Russia's behaviour in Syria and Ukraine gives us deep cause for concern about the established security settlement that we have been used to living with for the last 25 years.

## 4. Other Parliamentary material

### 4.1 Debates

#### **Brexit and Foreign Affairs [Extracts]**

26 Jun 2017 | 626 cc367-429

[...]

#### **Crispin Blunt**

Inevitably, I would like to be able to say much more in this debate about: our current operations in Syria; the future of liberated territory in Iraq and Syria; the authorisation of the use of force; a new sanctions regime as we leave the European Union; our involvement in the European Union's future common foreign and security policy, and common security and defence policy; and, importantly, possible Brexit transition options. Finally, I want to make the point that 2020 would be a suitable date for the state visit of President Trump, which was notably omitted from the Queen's Speech. I regret that people will now have to look at my website to see the full text of the remarks I had hoped to make in this debate.

[...]

#### **The Secretary of State for Foreign and Commonwealth Affairs (Boris Johnson)**

Wherever there is a crisis in the world—wherever there is terror or conflict—we will find that it is the United Kingdom that is at the forefront of trying to tackle those scourges. In Iraq and Syria, we should all be proud that the RAF is delivering more airstrikes against Daesh than any other air force apart from that of the United States. In the face of a revanchist and resurgent Russia, it is the UK that has kept up the pressure for sanctions over what it has done in Ukraine, as my right hon. Friend the Member for Maldon (Mr Whittingdale) rightly pointed out. In the face of the blood-curdling threats from North Korea, it is this country, in the UN, that has helped to marshal a coalition against what Kim Jong-un is doing. I am delighted to say that that coalition—hon. Members may have followed this—includes, for the first time, the Chinese, which is an important and hopeful development for our world.

[...]

The Queen's Speech said that we will take new powers to set our own sanctions policy. I have alluded to the importance of sanctions in respect of Ukraine and other areas. I trust that that Bill, in the spirit of unity we have seen for much of this debate, will attract cross-party support.

[...]



## 5. Further reading

### **Inquiry launched on Brexit: sanctions policy**

EU External Affairs Sub-Committee  
31 March 2017

### **Brexit: sanctions policy inquiry (Scope of inquiry)**

EU External Affairs Sub-Committee  
31 March 2017

### **Sanctions 2017: A special Report**

World ECR  
2017

**The legality of EU sanctions**, 11th Report of Session 2016–17,  
European Union Committee, HL Paper 102, 2 February 2017

**Implications of the referendum on EU membership for the UK's  
role in the world**, Fifth Report of Session 2015–16, Foreign Affairs  
Committee, HC 545, 19 April 2016

## About the Library

The House of Commons Library research service provides MPs and their staff with the impartial briefing and evidence base they need to do their work in scrutinising Government, proposing legislation, and supporting constituents.

As well as providing MPs with a confidential service we publish open briefing papers, which are available on the Parliament website.

Every effort is made to ensure that the information contained in these publically available research briefings is correct at the time of publication. Readers should be aware however that briefings are not necessarily updated or otherwise amended to reflect subsequent changes.

If you have any comments on our briefings please email [papers@parliament.uk](mailto:papers@parliament.uk). Authors are available to discuss the content of this briefing only with Members and their staff.

If you have any general questions about the work of the House of Commons you can email [hcinfo@parliament.uk](mailto:hcinfo@parliament.uk).

## Disclaimer

This information is provided to Members of Parliament in support of their parliamentary duties. It is a general briefing only and should not be relied on as a substitute for specific advice. The House of Commons or the author(s) shall not be liable for any errors or omissions, or for any loss or damage of any kind arising from its use, and may remove, vary or amend any information at any time without prior notice.

The House of Commons accepts no responsibility for any references or links to, or the content of, information maintained by third parties. This information is provided subject to the [conditions of the Open Parliament Licence](#).