

The Rt Hon Theresa May MP

Prime Minister and Leader of the Conservative Party



3 August 2018

Dear

In the referendum on 23 June 2016 – the largest ever democratic exercise in the United Kingdom – the British people voted to leave the European Union. **And that is what we will do.**

We will take back control of our money, laws, and borders, and begin a new exciting chapter in our nation's history.

It now falls to us all to write that chapter. That is why, over the last two years, I have travelled up and down the country, listening to views from all four nations of our United Kingdom and every side of the debate.

One thing has always been clear – there is more that binds this great country together than divides it. We share an ambition for our country to be fairer and more prosperous than ever before. We are an outward-facing, trading nation. We have a dynamic, innovative economy. And we live by common values of openness, the rule of law, and respect for others.

Leaving the EU gives us the opportunity to deliver on that ambition – strengthening our economy, our communities, our union, our democracy, and our place in the world – while maintaining a close friendship and strong partnership with our European neighbours. But to do so requires pragmatism and compromise from both sides.

I wanted to write to you, as a member of the Conservative Party, to explain how the Government is delivering on the result of the referendum, and the pledges we made at the general election, to leave the European Union and build a strong new relationship with the EU from outside.

Last month, the European Union (Withdrawal) Act received Royal Assent and became law. We will leave the EU on 29 March next year – and our negotiations with the EU on the terms of our withdrawal are at an advanced stage.

However, our negotiations on our future relationship have reached an impasse. **The two options on offer from the EU at the moment are not acceptable to me, or to the United Kingdom.**

The first, a standard free trade agreement for Great Britain – with Northern Ireland staying in the customs union and parts of the single market – would break up the UK. As a proud Unionist, I am very clear that it would be unacceptable.

And the second, membership of the customs union plus an extended version of the European Economic Area (EEA), would mean free movement, vast annual payments and alignment with EU rules across the whole of our economy, which would not be consistent with the referendum result.



I remain clear that no deal is better than a bad deal – and we are stepping up our ‘no deal’

preparations. But the best path to delivering Brexit – and the best outcome for the country – is to secure a deal which works for the whole United Kingdom. We therefore need to get the EU to consider a third option, but they will only do that if we put forward proposals they find credible.

This was the challenge that confronted the Cabinet when we met at Chequers recently. The proposal we agreed and which we have subsequently published in a White Paper (available at www.gov.uk/government/publications/the-future-relationship-between-the-united-kingdom-and-the-european-union) honours the result of the referendum, maintains the constitutional and economic integrity of our United Kingdom, and sets us on course for a productive relationship with our closest trading partners:

- **We will take back control of our borders, with an end to free movement.** EU citizens will no longer have the unfettered ability to come to the UK to seek work.
- **We will take back control of our money, with no more vast annual sums paid to the EU.** We will be free to spend that money on our priorities instead – like our long-term plan for the NHS.
- **We will take back control of our laws, ending the jurisdiction of the European Court of Justice in the United Kingdom.** UK courts will no longer be able to refer cases to the ECJ, and the UK Supreme Court will be the highest legal authority in the land.
- **We will leave the Common Agricultural Policy and Common Fisheries Policy.** This will give us the freedom to design new policies that work for our rural and coastal communities.
- **We will be free to operate our own independent international trade policy.** The whole of the UK will be outside the Customs Union and Single Market – free to sign trade deals with countries around the world.
- **We will have friction-free trade in goods with our nearest trading partners in the EU.** British businesses will be able to import and export goods across the EU frontier without impediment, ensuring that the just-in-time supply chains that underpin high skilled manufacturing jobs across the country will be able to continue without disruption.
- **There will be no hard border between Northern Ireland and Ireland.** We will remain one United Kingdom with a single internal market.
- **We will continue to co-operate on security matters,** while at the same time operating a fully independent foreign and defence policy, working closely with our EU and NATO allies.

This vision for our future relationship with the EU will be very challenging for the EU – it is in no sense a concession to their demands. **I have been very clear that we are rejecting the two models they have put forward.** Instead, we are asking them to accept a bespoke model which meets the unique requirements of the United Kingdom.

A key part of that bespoke model is the creation of a free trade area on goods between the UK and the EU. This would protect the uniquely integrated supply chains and ‘just-in-time’ processes which have developed over the last 40 years, and the jobs and livelihoods dependent on them. It would ensure that businesses on both sides can continue operating through their current value and supply chains. It would avoid the need for customs and regulatory checks at the border, and mean that businesses would not need to complete costly customs declarations. And it would enable products to undergo only one set of approvals and authorisations in either market, before being sold in both.

This free trade area requires a common rulebook for goods. I know this is an element of the proposals about which Party members have raised a number of questions – so let me address them directly. The common rulebook would cover only those rules necessary to provide for frictionless trade at the border. This is necessary to maintain the trust required to move goods across the border without any checks, helping British businesses and consumers alike.

And there are other reasons why this is the right thing to do:

- The rules on goods are long established – the last substantial change was in 1987.
- Many of the rules are based on international standards set by bodies that we will still have a seat on and be able to influence after we have left the EU.
- British businesses which export goods to the EU have been clear with us that they will continue to follow its rules in order to continue selling into the European market.
- Importantly, **any changes to our rules will be subject to a Parliamentary lock** – meaning our Parliament, directly accountable to the British people, will decide whether to adopt new rules or to reject them and diverge from the EU on goods, accepting the implications that could have for market access.

I know that some people are concerned that this common rulebook will stop us doing trade deals. **I can assure you this is not the case – and I would not be proposing it if it would.** Signing up to a common rulebook on goods would mean we could not drop our regulatory standards for goods as part of the new trade deals we sign with other countries – but that is something we have been clear we do not want to do, in order to protect British consumers. And we would still be able to make a competitive offer to new trading partners – with the freedom to set our own tariffs, set our own quotas, and reduce other non-tariff barriers such as simplifying customs processes.

These close arrangements on goods should sit alongside looser new ones for services and digital, giving the UK the freedom to chart its own path in the areas that matter most for our service-based economy.

I am well aware of the strong feelings members of our Party have on this important national issue. That is why I asked my team to arrange a number of briefing sessions for Chairmen of Conservative Associations at 10 Downing Street, and why I was glad to take part in a conference call with Association Chairmen to outline the Government's plan and to answer questions about it directly. If your Chairman was able to join one of those sessions, I hope he or she has fed back to you the points which were covered. The Party Chairman, Brandon Lewis, and I are always keen to hear the views of Party members, so if you have any questions or comments about the Government's proposals – now or at any time – please do write to us at **Conservative Campaign Headquarters, 4 Matthew Parker Street, London SW1H 9HQ.**

As Conservatives, we should be proud of the role we are playing at this crucial time for our country. We are the Party which gave the British people their say in how they are governed. We are the Party which respects the decision they made. We are the Party which will take the UK out of the European Union next March. And we are the Party which will secure a strong, secure, and prosperous future for the United Kingdom as an independent country, standing tall in the world – while maintaining a deep and friendly relationship with our closest neighbours..

Yours sincerely,



The Rt Hon Theresa May MP
Prime Minister and Leader of the Conservative Party

P.S. You can find more information about our proposals, along with a Q&A which you can download and use locally, on the Party website at www.conservatives.com/ourbrexitplan

The right deal for Britain



This is a credible vision that respects the result of the referendum, and delivers a principled and practical Brexit.

The Rt. Hon. Dominic Raab MP

Secretary of State for Exiting the European Union



Under this plan, we will leave the European Union – along with its Single Market, Customs Union, Common Agricultural Policy and Common Fisheries Policy – and take back control of our borders, our laws, our money, and our waters.

The Rt. Hon. Michael Gove MP

Secretary of State for the Environment, Food & Rural Affairs



This deal will give the UK the freedom to sign our own, independent trade deals with old friends and new allies around the world – seizing the opportunities of Brexit and forging a new role on the world stage.

The Rt. Hon. Dr Liam Fox MP

Secretary of State for International Trade



Our Brexit plan will protect jobs and deliver friction-free trade in goods with our nearest trading partners. Businesses will be able to import and export goods across the EU frontier without new burdens.

The Rt. Hon. Philip Hammond MP

Chancellor of the Exchequer



The comprehensive plan agreed by the Cabinet takes onboard the differing views within the Conservative Party and the country as a whole. It is therefore incumbent on the Party that we support the Prime Minister in her negotiations with the EU so that we secure the best deal for the United Kingdom.

Rob Semple OBE

Chairman of the National Conservative Convention, 2015–18



This plan is a sensible compromise approach, which both respects the referendum result while offering pragmatism on trade, skills and regulation. The Prime Minister deserves our support as she prepares for the upcoming tough negotiations with the EU.

The Rt. Hon. Ruth Davidson MSP

Leader of the Scottish Conservatives & Unionists



The West Midlands voted firmly to leave the EU, and that is what this deal will deliver – but it will do it in a way which delivers for businesses and manufacturers in the West Midlands and across the UK as a whole.

Andy Street CBE

Mayor of the West Midlands



This proposal puts the power back in the hands of Parliament and gives us a lock on any new rules around trade standards. We want a positive economic partnership with the EU – but this also allows our laws to be decided directly by those we elect.

The Rt. Hon. Andrea Leadsom MP

Leader of the House of Commons



This proposal demonstrates that we are willing to compromise to move talks forward, while also stepping up preparations for a no deal scenario. It will allow us to continue to trade with our European neighbours and strike deals with new partners, while allowing a future UK Parliament to decide whether to diverge from EU rules, if and as the EU becomes a diminishing destination for UK trade. I hope the Commission and EU member states engage with it seriously.

Syed Kamall MEP

Co-Chairman, European Conservatives & Reformists



Whether you voted Leave or Remain, the Conservative Party has a mission to deliver the result of the referendum, negotiate the best deal for the UK, and build a prosperous future for our country. Let's get on and do just that.

The Rt. Hon. Brandon Lewis MP

Chairman of the Conservative Party

