

A quick summary of what has been happening this week on Brexit.

Headlines

- **EU and UK restart discussions on Political Declaration in attempt to break deadlock.** President Juncker and Prime Minister May will meet again at the end of February to take stock.
- **Labour sets out changes to the Political Declaration the Party would accept.** Jeremy Corbyn wrote to the Prime Minister with five demands to secure Labour support.
- **Further guidance for business published.** The Government has published advice this week on customs, VAT, export licences, and specific advice for aerospace companies.
- **Parliament debate next steps on 14 February.** MPs will debate and vote on a motion put forward by the Government on next steps for Brexit following PM visits to Northern Ireland and Brussels.

Summary

Prime Minister May and President Juncker review next steps in Brussels

- During the PM's visit to Brussels on Thursday, she met with European Commission President Jean-Claude Juncker to discuss next steps in the UK's Withdrawal from the EU.
- The EU restated its position that it would not reopen the Withdrawal Agreement, however expressed an openness to amending the Political Declaration in an attempt to resolve UK concerns on the Irish Backstop.
- The two leaders agreed that their negotiating teams would hold talks to find a solution that would gain the broadest possible support in the House of Commons. Any solution would also have to be agreed by the European Parliament and the EU27.
- The Prime Minister and President Juncker will meet again before the end of February to take stock of the discussions held by their teams.

Labour sets terms for Brexit deal support

- On Wednesday evening, ahead of the PM visiting Brussels, Jeremy Corbyn sent a letter to the Prime Minister outlining five key changes in the Political Declaration that would secure the support of Labour MPs.
- Labour's five demands would set the course for a softer Brexit and include:
 - 1) A permanent customs union, including a say on future EU trade deals
 - 2) Close alignment with the EU's single market
 - 3) Alignment with EU rights and protections for workers, consumers and the environment
 - 4) Membership of key EU agencies and funding programs

5) A comprehensive security deal

PM will take stock before engaging with Labour

- Progress is being made, albeit slowly. The Labour Party demands, which appear to be a more realistic and achievable approach compared to the Party's original "six tests", could give May the support she needs to get her deal through Parliament. The EU would also likely buy into these changes, with a permanent customs union being held up as a solution to the deadlock over the Irish Backstop.
- However the PM will first have to take stock of her own backbenchers. Many of them would not be happy with her taking a deal from the Labour frontbench, especially as she had just started making progress to keep them on side. With this in mind, it's unlikely she will take up the offer from Jeremy Corbyn at this stage.
- The PM's most likely approach will be to continue discussions with the EU on the Political Declaration. This however means the clock is further run down with time slipping away as we head towards EU exit day on the 29 March.

What next?

- It's very much wait and see. Now we know that May and Juncker will be meeting at the end of the month, the vote on the 14 February will be somewhat uneventful as we wait for news on any progress from the discussions.

Government publishes advice to businesses

- In the meantime, advice has been published this week by the government on customs as well as specific advice for aerospace businesses.
- The Department for International Trade have [released the new European OGEL](#) for export of dual-use goods to the EU: Notice to Exporters 2019/03
- HMRC have written to VAT-registered business that trade only with the EU with details of actions they need to take and changes to be aware of in the event of the UK leaving the EU without a deal. [You can read the letter here.](#)
- The government have also updated the [customs partnership pack](#) and published new guides on:
 - [Customs Procedures](#)
 - [Moving goods to and from the UK](#)
 - [Registering for simplified import procedures](#)
 - [VAT IT Systems rules and processes](#)
- BEIS have published specific [advice for aerospace businesses](#) which you can [read here.](#)

ADS Brexit Hub

We are regularly updating the "Brexit Hub" on our website to help members preparing for Brexit, cutting through the political noise, and providing a single authoritative source of information on the impact of Brexit on the Aerospace, Defence, Security and Space sectors.

[You can access the Hub here to guide you through the current state of play on Brexit.](#)

- Each Brexit Bulletin and Snapshot will now be uploaded to the [Brexit Hub](#) each week to give you and your colleagues quick access to the most recent ADS analysis on Brexit.
- Further to this, in order to help our members prepare for Brexit; our [“Brexit Readiness” questionnaire](#) is available to help you in developing your Brexit plan.