



Deputy Chief Minister

PRESS RELEASE

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Government reassures the public after EU Referendum

In the light of the outcome of last week's Referendum, the Government considers it important that people understand the procedure that exists for the withdrawal of a Member State from the European Union. The procedure confirms that it is very much a case of business as usual for a number of years to come and that therefore people should not expect any dramatic change for a considerable period of time.

The Government task-force which was set up to coordinate referendum legislation with the United Kingdom Government, which included the Deputy Chief Minister Dr Joseph Garcia, the Attorney General Michael Llamas and other officials, will continue to monitor events at a political and a legal level. This will be complemented by the development of new and existing teams and working groups which will be announced by the Chief Minister over the coming weeks. In particular, the Cabinet has to meet to discuss how to give effect to the cooperation with the Opposition which has been agreed.

In relation to the wider picture, it is important to recall that there was no procedure for the exit of a country from the EU before the Treaty of Lisbon. This Treaty was signed on 13 December 2007 and entered into force on 1 December 2009.

The Referendum result is not the legal trigger for the UK's withdrawal from the European Union. The legal count-down will start once the UK Government gives formal notice of withdrawal to the EU under Article 50 of the Treaty. Therefore the commencement of this procedure is entirely in the hands of the United Kingdom. The Prime Minister has already indicated that he will leave this task to his successor in the autumn, and it is likely that negotiations on the options will take place before the trigger is activated.

The exit agreement would first require the consent of the European Parliament followed by the approval of the Member States acting by Qualified Majority Voting. There is therefore no veto on the content of the agreement.

There is a deadline of two years, from the date of submitting the notice, in which to negotiate the withdrawal agreement. An extension of that deadline would require the unanimous agreement of



all the Member States. The United Kingdom and Gibraltar would therefore remain a part of the European Union and EU law would continue to apply until the withdrawal agreement comes into effect a number of years later.

The final details of our new relationship with the EU will not be known until those negotiations have taken place and a new arrangement has been agreed.

Commenting on the matter, the Deputy Chief Minister Dr Joseph Garcia said:

“The framework for withdrawal is spelt out in Article 50 of the Treaty of Lisbon. However, no Member State has left the European Union before so there is no exact precedent to be followed. Greenland joined the European Community with Denmark in 1973. They held a Referendum to in 1979 and decided to terminate their membership. This was not implemented until 1985. The point is that it took six years in this case. The Greenland example serves to illustrate the argument that nothing will happen overnight.

“Gibraltar can rest assured that the Government is actively pursuing a number of options in protecting our future and has the expertise and the energy to do everything possible to deal with any eventuality that may arise. It is important that everyone continues to go about their business in the usual way.

“Indeed, the Government has already held a number of meetings with different organisations in order to explain the position and to reassure the business community that everything possible is being done. This has been put to the Finance Centre Council, the Gibraltar Betting and Gaming Association, the Chamber of Commerce and the Federation of Small Businesses. This contact will be followed by a number of meetings with individual businesses in the field of financial services and on-line gaming.

“It should also be made clear, at the same time, that the Government has already had contact with prominent members of the ‘Leave’ campaign in order to put forward our point of view and to ensure that those views are taken into account in the negotiation of the United Kingdom’s exit and of the new relationship with the EU.”

Note to Editors:

Article 50 of the Lisbon Treaty

1. Any Member State may decide to withdraw from the Union in accordance with its own constitutional requirements.
2. A Member State which decides to withdraw shall notify the European Council of its intention. In the light of the guidelines provided by the European Council, the Union shall negotiate and conclude an agreement with that State, setting out the arrangements for its withdrawal, taking account of the framework for its future relationship with the Union. That agreement shall be negotiated in accordance with Article 218(3) of the Treaty on the Functioning of the European Union. It shall be concluded on behalf of the Union by the Council, acting by a qualified majority, after obtaining the consent of the European Parliament.



3. The Treaties shall cease to apply to the State in question from the date of entry into force of the withdrawal agreement or, failing that, two years after the notification referred to in paragraph 2, unless the European Council, in agreement with the Member State concerned, unanimously decides to extend this period.

4. For the purposes of paragraphs 2 and 3, the member of the European Council or of the Council representing the withdrawing Member State shall not participate in the discussions of the European Council or Council or in decisions concerning it.

A qualified majority shall be defined in accordance with Article 238(3)(b) of the Treaty on the Functioning of the European Union.

5. If a State which has withdrawn from the Union asks to rejoin, its request shall be subject to the procedure referred to in Article 49.