

Today marks a **decisive step forward**. We have agreed in principle the terms of the UK's **smooth and orderly exit** from the EU, as set out in the Withdrawal Agreement. We have also agreed the **broad terms of our future relationship** as set out in the outline Political Declaration.

This puts us **close to a Brexit deal**. A deal that **takes back control of our borders, our laws and our money** while protecting jobs, security and the integrity of our United Kingdom. A deal that **brings our country together**. A deal that realises the benefits of Brexit and lets us focus on the big domestic issues that face our country.

Although this represents a significant breakthrough, it is not the final deal. **Nothing is agreed until everything is agreed**. There will now be intense negotiations to produce a full Political Declaration for review by the Prime Minister, and the leaders of the EU27 which we hope can happen before the end of the month.

Please also find attached a letter that the Prime Minister has tonight sent to MPs on this decisive step forward.

Withdrawal Agreement

Citizens' Rights

- Protects the rights of more than three million EU citizens living in the UK and around one million UK nationals living in the EU.

Implementation period

- A time-limited implementation period that provides a bridge to the future relationship, allowing businesses to continue trading as now until the end of 2020.

Financial settlement

- A fair financial settlement for UK taxpayers estimated to be between £35-39 billion, resolving our obligations. But nothing is agreed until everything is agreed, and the Withdrawal Agreement is contingent on agreeing a full Political Declaration.

Northern Ireland and Ireland

- As part of our solution to ensure no hard border between Northern Ireland and Ireland, in the unlikely event that more time is needed to finalise the future relationship, there are two options – the implementation period could be extended for a limited period of time or we could bring in the backstop.
- The backstop replaces the EU's proposal for a Northern Ireland-only customs 'backstop to the backstop' with a UK-wide solution, respecting the constitutional and economic integrity of the UK.
- The Withdrawal Agreement legally commits both sides to use best endeavours to ensure the backstop is never used. If either side fails to do so, this could be referred to an independent arbitration panel.
- This includes a mechanism which either the UK or the EU can trigger to review the arrangements, which could ultimately lead to the backstop ceasing to apply.

Dispute resolution

- A mechanism for resolving any disputes between the UK and the EU. First, disputes will be consulted on in a Joint Committee and, if no mutually agreed solution can be found, it will be resolved by an independent arbitration panel.

Geographical Indications

- Geographical Indications like Scotch Whisky, Welsh Lamb, Comber New Potatoes and Cornish Pasties will be protected until a future economic relationship is put in place.

Gibraltar and Sovereign Base Areas in Cyprus

- Confirmation of Gibraltar's inclusion in the Withdrawal Agreement, including in the implementation period.
- Protection of Cypriots working and living in the Sovereign Base Areas, and ensuring that the SBAs continue to function smoothly.

Outline Political Declaration:

Ending Free Movement

- Ending free movement and introducing our new skills-based immigration system.
- Visa-free travel for tourism and temporary business activity, to ensure businesses can continue to provide services and move their talented people.

Goods

- A free trade area and deep cooperation on goods, with zero tariffs and quotas.

Trade

- The ability to strike trade deals around the world.

Service and investment

- Ambitious arrangements for services and investment, alongside new arrangements on financial services.

Digital

- New and specific arrangements on digital, covering a wide-range of areas, including e-commerce, open internet and emerging technologies, reflecting the growth and prominence of global digital trade.

Fishing

- The UK will be an independent coastal state, with commitments to ensure sustainable fishing levels and a new fisheries agreement with the EU.

Agriculture

- The UK will be outside the EU's Common Agricultural Policy.

Transport

- A comprehensive Air Transport Agreement and comparable access for freight operators, buses and coaches.

Energy

- Mechanisms to ensure efficient trade over the electricity and gas infrastructure linking the UK and EU.

Open and fair competition

- Provisions to ensure open and fair competition, in line with the overall economic relationship with commitments by both the UK and the EU on state aid, employment and environmental standards, and relevant tax matters.

Internal Security

- Comprehensive and close reciprocal law enforcement and judicial cooperation to keep people safe.
- This will include arrangements for effective data exchange on Passenger Name Record data, DNA, fingerprints and vehicle registration data, alongside extradition arrangements.
- Commitment to consider additional arrangements with the view to delivering strong operational capabilities.

Foreign policy and defence

- A close and flexible partnership, including UK participation in EU missions and capability projects on a case by case basis; and consultation on sanctions; supported by the timely exchange of information and intelligence.