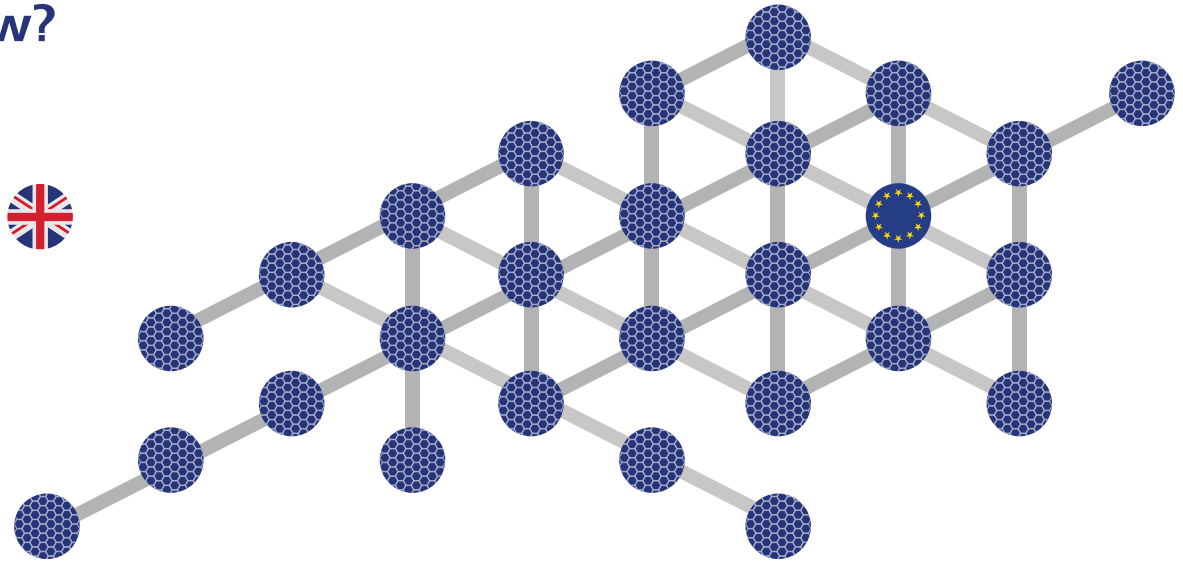




UK votes 'Leave'

What now?



In the short term, the vote to leave the European Union doesn't signal an immediate change. It's business as usual for the UK and the EU. The EU Treaties and laws continue to apply without exception in the UK – as does the obligation to comply. The process of the UK exiting from the EU will, however, be the focus over the next few months.

What's next?

Challenging the referendum result?

The European Union Referendum Act 2015 (Referendum Act) allows six weeks for parties to contest the number of ballot papers counted or votes cast in the referendum and to instigate proceedings for a judicial review.

Triggering the two-year negotiation period on exit terms

The Referendum Act does not address in detail the next steps required in the event of a Leave vote. It may be that the UK Parliament will hold a vote to allow for the notification of the UK's intention to leave the EU to be submitted, thus triggering the two-year process.

Status quo preserved during the negotiation of the exit terms

There will be no immediate changes to the current legal framework following the 'Leave' vote. Following notice to leave by the UK government, the status quo is preserved for the period of the exit terms negotiation between the UK and the EU. The objective of the negotiation is to reach an agreement setting out arrangements for the

UK's withdrawal and the UK's relationship with the EU thereafter.

The negotiation period is capped to two years by Article 50 of the Lisbon Treaty, running from the date on which the intention to leave is notified to the EU Council. In the event the parties fail to reach an agreement within this time, the EU Treaties will cease to apply to the UK, unless in agreement with EU Member States, the UK and EU agree to extend this period.

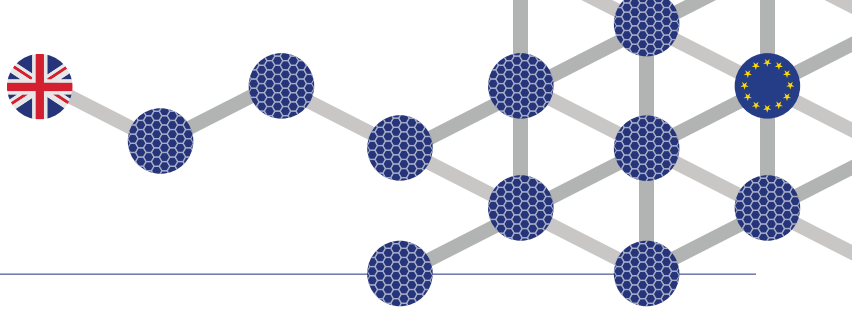
Such negotiation is bound to be complex. The procedure is laid out in Article 218 of the Lisbon Treaty and requires participation of all the EU players – the Council (representing a qualified majority of the remaining 27 Member States), the EU Commission and the EU Parliament, as well as the UK on the other side. Given the political climate in the EU, this may not be a smooth ride.

What you should be thinking about now

Shepherd and Wedderburn has published sector specific guidance in the run-up to the referendum. These notes cover in detail the different possibilities that may follow



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as the result of the negotiation with the EU, including the different scenarios proposed for the future relationship: Norwegian, Swiss, Turkish and the WTO models or most likely a bespoke arrangement. [Click here to visit our Brexit Advisers homepage.](#)

We will be issuing detailed briefings over the coming months. In the meantime, please get in touch with your usual Shepherd and Wedderburn contact to discuss the impact for you and your business.

SHEPHERD AND WEDDERBURN'S BREXIT ADVISERS JOINING THE DOTS OF THE EU REFERENDUM

What If?

Shepherd and Wedderburn has been for many years offering balanced and impartial advice on how the different scenarios might play out in the event of constitutional change.

Members of our dedicated Brexit Advisers have interrogated the questions, relating to specific sectors, in the run-up to the referendum. The result is now known and our specialist advisers are available to advise on the regulatory issues ahead.

For further information in the first instance, please contact:



Louisa Knox
Partner & Co-Chair Of Brexit Advisers
T +44 (0)131 473 5216
M +44(0)781 800 2191
E louisa.knox@shepwedd.co.uk



Gordon Downie
Partner & Co-Chair Of Brexit Advisers
T +44 (0)131 473 5162
M +44(0)771 863 7298
E gordon.downie@shepwedd.co.uk

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