



Department
for Exiting the
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Dear Colleague

You will have received my letter of 9 August providing an update on the July round of the UK's negotiations to leave the European Union. I hope you found this useful. I wanted to take this opportunity to update you on the Government's plans ahead of the August negotiating round, and leading up to the October European Council. Today the Government has published the first in a series of papers on the new, deep and special partnership the UK wants to build with the EU. As the negotiations proceed towards the autumn, the case for a more detailed discussion on that future relationship grows in importance.

These papers set out key issues that form part of the United Kingdom Government's approach to that partnership, developing the themes and framework set out in the Prime Minister's Lancaster House speech, the White Paper on the UK's new partnership with the EU and the Prime Minister's Article 50 letter. They reflect the deep engagement the Government has sought from external parties with expertise on each policy area and are the result of the very extensive work undertaken across Government since last year's referendum.

They describe a vision which should inform the current negotiations on separation issues, where they relate to questions which can only be settled in light of the future partnership. Indeed, the early rounds of the negotiations have already shown that many withdrawal questions and the future partnership are inextricably linked. The papers also provide a basis for further discussion with those who will be affected by the outcome of these negotiations.

As the Prime Minister wrote in her Article 50 letter, the United Kingdom wants to play its part in ensuring that Europe remains strong and prosperous and able to lead in the world, projecting its values and defending itself from security threats. These papers on that future partnership are an essential step to building the new relationship to promote our shared interests and values.

The future partnership papers are designed to provide citizens and businesses at home and across Europe with a deeper understanding of the Government's thinking. They will cover a range of topics relating to our future economic and security cooperation with the EU. The papers will inform discussions with the full range of interested parties over the coming weeks, with the aim of further elaborating the design of the deep and special partnership.

The first of these papers, *Future customs arrangements: a future partnership paper* is attached here and sets out our goals for our future customs arrangements with the EU and our proposals to meet those objectives. As the UK leaves the EU and its customs union, we will be guided by what delivers the greatest economic advantage to the UK. We want our new customs arrangements to meet three objectives:

- to keep trade with the EU as frictionless as possible;
- to avoid a 'hard border' between Ireland and Northern Ireland; and
- to establish an independent trade policy.

And of course we must avoid any arrangement that creates customs barriers within the UK.

Over the past year, the Government has conducted detailed and extensive work on all the options. This paper sets out two approaches that most closely meet our objectives.

We must avoid a return to a hard border between Ireland and Northern Ireland and we welcome the clear commitment made by the European Union to work with us on "flexible and imaginative" solutions to achieve this. Ahead of those discussions, this paper includes proposals that are first steps to meet our objective of trade across that land border being as seamless and frictionless as possible, but further steps will be necessary. We will shortly be publishing a further paper setting out more details on the approach we intend to take.

I know these papers will be of interest to you, and will ensure that we keep you informed. All parliamentarians will be notified on the publication of papers to come over the summer. Parliament is of course not currently sitting and I regret that I am not able to speak to you about this paper directly as a result. However, negotiations are continuing over the summer and it is vital that we provide as much clarity as to the Government's thinking as early as possible - both to support discussions with the EU on our future relationship so that we can make swift progress, and to provide certainty and reassurance to businesses and citizens. We also want to seek views from a wide range of stakeholders, and provide as much time as possible to do so.

For that reason we feel it is necessary to publish these papers at this time. We recognise stakeholders will be eager to engage on the detail and we look forward to hearing the views expressed. This will help inform the Government's thinking as we enter into discussions with the EU on our new, deep and special partnership.

I can assure you that Parliament will have the opportunity to scrutinise the proposals set out in this and future papers. As you know, I will be giving an oral statement in September to update the House on the July and August negotiating rounds and I look forward to taking your questions on this. The Minister of State, Baroness Anelay, has made this same commitment to the Lords therefore ensuring each House has the opportunity to question government on the outcome of the negotiations that have taken place over the summer. It is also my intention to make the papers available in the libraries of both Houses upon Parliament's return in September.

On *Future customs arrangements: a future partnership paper* in particular, the Government will be introducing legislation on these topics in the current parliamentary session which will provide wide scope for debate.

Yours ever

A handwritten signature in black ink, consisting of a large, stylized 'D' followed by 'avis'.

**RT HON DAVID DAVIS MP
SECRETARY OF STATE FOR EXITING THE EUROPEAN UNION**