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I am writing in response to your recent enquiry regarding 'The Freedom of Establishment and Free Movement of Services (EU Exit) Regulations 2019', which was debated in the House of Lords on Wednesday 23 October. I would like to take this opportunity to reassure you that these Regulations will not restrict the ability of EU, EEA EFTA, Swiss or Turkish nationals (henceforth 'EU-plus nationals') who are currently resident to establish or run a business or provide services in the UK at the point at which we leave the EU. The Regulations do not stop EU-plus nationals from owning or managing companies in the UK, nor do the Regulations impact on the immigration regime applied to EU-plus nationals.

The Regulations form part of the UK's preparations for a possible 'no deal' exit from the EU. The Regulations remove directly effective rights of establishment and free movement of services that are part of European Union (EU) Treaties and EU agreements with the EEA, Switzerland and Turkey.

The main reason this is necessary is because, after we have left the EU, the UK will be required to comply with the World Trade Organisation's 'most-favoured nation' principle, which will prohibit the UK from giving preferential treatment to people of some nations over others. In this case that means we will no longer be able to maintain a directly effective, guaranteed right in UK law for EU-plus nationals to establish and provide services in the UK.

I can understand why this decision may, on the face of it, prompt questions among some EU-plus nationals in the UK. However, I wish to reiterate that whilst this means the guarantee of preferential treatment for EU-plus national services providers will be removed, their practical ability to establish and run a business, and provide services in the UK will be unaffected. This is because the UK's underlying rules will be in line with EU law at the point the UK exits the EU.

UK law currently imposes no restrictions on the ability of EU-plus nationals to establish or run a business or provide services in the UK. The UK remains open for business and continues to welcome the contributions made by EU-plus nationals to the economy and British society.

Furthermore, I wish to make clear that the regulations do not affect the treatment of EU citizens resident in the UK at the point of exit; those are protected separately. All EU citizens resident in the UK at the point of exit will still be able to work, study and access benefits and services, whichever scenario plays out.

A copy of this letter will be placed in the Libraries of the House.

Kind regards



Lord Duncan of Springbank