Meeting Report: How Can Brexit Be Done under the Rule of Law?

24 October 2016, 17:30 – 18:30
Committee Room 6, Houses of Parliament

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Format

17:30 – 17:35  Introduction – Rt Hon Dominic Grieve QC MP
17:35 – 17:50  3 expert speakers (5 minutes each)
17:50 – 18:15  Questions and comment – MPs and Peers
18:15 – 18:30  Questions and comment – Open to the floor

Attendance

Chair: The Rt Hon Dominic Grieve QC MP

MPs and Peers: Rt Hon Lord Woolf, Rt Hon Sir Edward Garnier QC MP, Christina Rees MP, Mark Durkan MP, Lord Marks, Baroness Ludford

Others in attendance included: Dominic Burbidge, Saskia Baer, Aditi Kapoor, Professor Sir Jeffrey Jowell KCMG QC, Anthony Speaight QC, Matthew Smerdon, Harmish Mehta, Professor John McEldowney, Professor Elspeth Guild, Schona Jolly, Naina Patel, Murray Hunt, Jack Simson-Caird, Swee Leng Harris, Alexia Staker, Justine Stefanelli, Professor Christina Murray, Alexander Cresswell, Chelsey Mordue, Scott Taylor, Matthew van Rooyen

Meeting Aim

To provide MPs and Peers with an opportunity to discuss rule of law considerations relevant to Brexit, particularly in relation to legal certainty, the appropriate scope of Executive power in making secondary legislation, and parliamentary scrutiny of international negotiations.

Background

What needs to happen to give effect to Brexit in law?

In broad terms, the UK’s exit from the EU will involve:

- Negotiation of agreements on the UK’s exit from and future relationship with the EU, as well as potentially negotiating trade agreements with non-EU countries; and
- Review of UK laws and an extensive law-making process to deal with EU laws that may otherwise no longer apply following the UK’s exit to:
  - Clarify which EU laws continue to apply in UK law, the implications of changes to those laws by the EU and future Court of Justice of the EU decisions on those laws, and how those EU laws are to be enforced in the UK after Brexit;
  - Ensure that any references to EU institutions or laws in UK laws do not render the UK laws ambiguous or unclear; and
  - Establish new UK laws to replace the EU laws that the UK wishes to change, and possibly to implement new relationships with other countries and international institutions.

There will be overlap in substance and process between the international negotiations and Brexit law reform process. In particular, there will likely be some EU frameworks that the UK will want to remain part of, for example, cooperation on national security. For these matters, the UK will want to negotiate to stay within the EU law and framework such that the law
continues to operate in the UK after exit from the EU. These matters may also require UK legislation to implement EU law and frameworks.

**Proposed Great Repeal Bill**
The Prime Minister and Secretary of State for Exiting the European Union have announced a proposed Great Repeal Bill, which will convert EU law into UK law and repeal the European Communities Act. The Government has indicated that the Bill will:

- End the jurisdiction of the European Court of Justice (CJEU) in the UK;
- Give ministers powers to use secondary legislation to take account of developments in negotiations with the EU; and
- Give the Government powers to establish domestic regimes to replace EU regulation and licensing.

The nature and scope of the legislative powers to be given to the Executive in the Great Repeal Bill is as yet unknown. In general terms, the enormous task of Brexit law reform will give rise to an understandable temptation to delegate large swathes of legislative power to the Executive by passing skeletal primary legislation that includes broadly drafted provisions to delegate law-making, sometimes using Henry VIII clauses.

There a risk that unnecessarily broad Henry VIII clauses in skeletal legislation will threaten the rule of law because such clauses can give the Executive almost absolute discretion on questions of legal right and liability rather than defining in law the criteria for resolving the questions. This problem is compounded by the trend towards skeletal drafting of primary legislation that lacks substance and detail for the delegated legislation that it authorises. The problems of Henry VIII clauses can be mitigated in part through provision for strong parliamentary scrutiny of delegated legislation.

**Rule of Law Questions**
Discussion at the meeting will focus on the rule of law dimensions of the Brexit process, including the following questions relevant to the Great Repeal Bill:

- Which EU laws and frameworks should the UK remain part of? For example, should the UK continue cooperation with EU countries in relation to surveillance, counter-terrorism, national security and policing? If so, should EU laws in these areas be incorporated into UK law, or should the UK’s present participation in the EU regimes continue?
- What should the relationship be between UK law and future developments in EU law, including amendment or repeal of EU law by EU institutions and CJEU decisions? Should these developments have no relevance or application in the UK, or should these developments apply in UK law? Could Parliament review developments and determine their application on a case by case basis e.g. by passing resolutions?
- What will be the legal effect of existing references to EU law and institutions in UK legislation after the UK leaves the EU?
- Is there a risk that the rule of law will be threatened by unnecessarily broad Henry VIII clauses in skeletal legislation used to manage the large-scale law reform required by Brexit? How might such a risk be mitigated?
The Bingham Rule of Law Principles

The rule of law questions identified above are based on the eight rule of law principles that were identified by Lord Bingham, which can be summarised as:

1. The law must be accessible and so far as possible, intelligible, clear and predictable;
2. Questions of legal right and liability should ordinarily be resolved by application of the law and not the exercise of discretion;
3. The laws of the land should apply equally to all, save to the extent that objective differences justify differentiation;
4. Ministers and public officers at all levels must exercise the powers conferred on them in good faith, fairly, for the purpose for which the powers were conferred, without exceeding the limits of such powers and not unreasonably;
5. The law must afford adequate protection of fundamental human rights;
6. Means must be provided for resolving without prohibitive cost or inordinate delay, bona fide civil disputes which the parties themselves are unable to resolve;
7. Adjudicative procedures provided by the state should be fair; and
8. The rule of law requires compliance by the state with its obligations in international law as in national law.

Speakers’ Presentations

The following summaries are based on notes on the presentations taken at the meeting, but should not be considered verbatim quotes.

Professor Dawn Oliver QC FBA

Professor Oliver’s talk focused on legal certainty, raising questions that need to be answered regardless of whether one favours a ‘hard’ or ‘soft’ Brexit.

Our system of law contains a great quantity of EU law, and when the UK leaves the EU, large chunks of law will vanish, which poses a risk of creating black holes in our legal system unless Parliament acts. In these circumstances, Parliament has a duty to act to prevent such legal uncertainty.

Professor Oliver identified two serious possibilities:

1. No deal can be agreed between the UK and EU at end of the two year negotiating period under Art 50. Some people seem to assume that they can force the UK Government to agree to or veto certain things, and seem to forget that the UK cannot force EU to agree. Given the need for the UK and EU to negotiate and reach an agreement, there is a risk of an ‘unconditional exit’ of the UK from the EU.

2. The UK Government might negotiate terms and propose consequential changes to UK law that Parliament refuses to accept.
   - Under the Constitutional Reform and Governance Act 2010, any treaty agreed between the UK and EU will need to be placed before UK Parliament.
Given that the present Government has a slim majority in the lower house, it is not clear that a treaty would necessarily be passed by the House of Commons, and its prospects are still less clear in the House of Lords.

Hence, even if the UK and EU negotiate and agree a deal, the UK could still end up with an unconditional exit.

Unconditional exit would mean uncertainty in a range of areas. For example, it would not be clear what effect decisions of EU regulatory institutions would have in UK law post-Brexit. Similarly, the rights of non-British EU citizens residing in the UK would not be clear. All such implications must be dealt with by Act of Parliament in order to avoid the uncertainty of an unconditional exit.

Legislative provisions are needed to clarify the continuing effect of EU law post-Brexit. Such provisions could be part of the proposed Great Repeal Bill. In any case, a Bill with these provisions needs to be introduced prior to Art 50 notification in Professor Oliver’s opinion.

Professor Oliver then considered what individual Parliamentarians can do to address these concerns.

Professor Oliver emphasised that these arguments and rule of law concerns are not partisan. As such, it is important for parliamentarians to focus on the non-partisan nature of these issues.

Note that the Lord Chancellor has a duty to uphold the rule of law under Constitutional Reform Act—this is something parliamentarians should bear in mind.

Parliamentarians could remind Ministers that the Constitutional Reform Act stresses the importance of the rule of law as a constitutional principle.

The judicial decisions in the legal cases concerning the triggering of Art 50 may have important consequences for Parliament’s role.

Finally, parliamentarians should remember that Private Members’ Bills can start in the House of Lords as well as the House of Commons.

Martin Howe QC

Mr Howe QC agreed with Professor Oliver’s fundamental point that the UK must be prepared and ready at the end of the two-year period under Art 50 to exit the EU without an agreement with the EU, and emphasised that the UK will not simply bow down and accept whatever conditions the EU might want to impose. As such, it is not certain that a deal can be agreed with the EU within the two-year period, and the UK needs to make the following arrangements to prepare for exit from the EU:

1. It is essential that our international relationships are organised so that we are able to trade with the world on WTO terms; and
2. It is important that the impact on our domestic law is addressed by the end of the two-year period, although this need not be
addressed before notification under Art 50. Statutory instruments are bound to play a significant part in this process.

By way of thought experiment, if no legislation was introduced into parliament but Art 50 was triggered, at the end of the two year negotiating period, the jurisdiction of the Court of Justice of the EU (CJEU) would disappear as would all directly applicable EU law. It would be possible to use s 2(2)(c) of European Communities Act (ECA) to make statutory instruments to replicate the laws of the EU.

Turning to the proposed Great Repeal Bill: EU law will disappear in any case, so the Bill would not actually get rid of directly applicable and directly effective EU law as such. Rather, it will provide for continuity of existing law of which large volumes are EU law or based on EU law. It is not possible to simply turn the clock back to 1972 and get rid of all EU law overnight, nor can you simply deal with everything with one clause providing that ‘all EU law will continue to apply’.

This is because much EU law is linked to supranational institutions, the decisions of which have effect in the UK. For example, medicines regulation is monitored by an EU regulator, so the UK needs a solution that enables continuity. Mr Howe advocated for a global approach, rather than the present regional approach, noting the example of Switzerland which accepts US Food and Drug Administration decisions. This kind of problem posed by complex arrangements with supranational organisations arises hundreds of times across UK law, and the UK needs to find a workable solution that allows continuity.

It will not be possible for all of these problems to be dealt with in the two year period through Acts of Parliament, hence the need for Henry VIII powers in the vein of s 2(2) of the ECA. Such powers cause concern because of the excessive use of delegated legislative power bypassing proper parliamentary scrutiny, but there is no alternative given the timescale. It might be possible to perhaps include a sunset clause, allowing Parliament to scrutinise and debate all laws so passed in advance of the deadline under the sunset clause. The process of drafting and consulting on Regulations can occur in parallel with negotiations and Acts, although there will be a large volume of regulation passed at the end of the two-year period.

There are other rule of law matters that require the repeal of ECA, including CJEU jurisdiction after exit. The Court might argue that it continues to have jurisdiction over matters which occurred before exit. It will be important for Parliament to legislate to preclude any such jurisdiction being recognised in our domestic law. A further question is the extent to which CJEU judgments should be recognised post-Brexit. Where Parliament has kept law that is in substance the same as EU law, past CJEU decisions should be treated as persuasive but non-binding. Future judgements of CJEU post-Brexit can be considered, but given no more weight than any other foreign court.

**Professor Sionaidh Douglas-Scott**

Given the limited time available, Professor Douglas-Scott explained that she would speak about the human rights dimensions of Brexit.

There were many reasons that motivated the decision to leave, but ‘taking control’ was certainly one of them.
Looking at the Bingham Principles, the rule of law encompasses the principle that the law must provide adequate protection of human rights. The rule of law also includes principles concerning the exercise of legal power, especially by the Executive. Both of these rule of law principles are relevant to human rights in the UK post-Brexit.

Presently, there is no statutory power for the Government to carry out Brexit. The Government takes the view that it can use prerogative powers. In the recently heard Art 50 case, the claimants argue that the Government cannot use prerogative powers to take away rights conferred by Parliament under Statute.

What are these rights that will be abolished by Brexit? Under the ECA, Parliament gave effect to UK obligations under EU treaties. The consequence of the Government exercising prerogative powers by triggering Art 50 would be that the UK will leave EU, and the EU treaties would cease to apply in the UK without the need for an Act of Parliament — this is the gist of the lawsuit. Accordingly, the rights that we have all gained through the EU would be frustrated. Even if some rights would be kept under Great Repeal Bill, those rights would not be kept in accordance with the EU Treaties.

Professor Douglas-Scott sees Brexit in human rights terms — it is a ‘great bonfire’ of rights.

The Great Repeal Bill is a misnomer as some rights would continue. However, some rights upon leaving the EU will be lost completely and cannot be reinstated by an Act of Parliament, for example, the right to vote in EU parliamentary elections, and (probably) freedom of movement rights. We are in danger of losing such rights altogether.

Furthermore, in relation to the transfer of rights that are currently derived from EU law such as the Equality Act 2010 (a key source of non-discrimination rights), if the derivative source of those rights is removed, then the supranational protection for the rights disappears. In that case, the rights might be protected under UK law, but absent a UK constitution that is supreme, rights such as equality rights might be taken away. That is, Parliament could take away such rights if it chose. This is the risk of the Great Repeal Bill, especially if it has Henry VIII powers.

Some argue that the European Convention on Human Rights (ECHR) will protect human rights in the UK, however, it is possible that Brexit or Brexit negotiations risk infringing ECHR rights such as the right to private and family life. For example, if the Government exercises the royal prerogative and freedom of movement does not continue, then what are the consequences for the Art 8 right to family life? Absent an Act of Parliament, would action under the prerogative be sufficient to meet the requirement that action that a state takes which interferes with rights must be in accordance with law? The need for such actions to be in accordance with law is a rule of law issue. By way of another example, businesses may face a loss of property if the UK falls back on WTO terms, which raises the question of a breach the ECHR right to property.

There are some severe human rights issues in the context of Brexit that must be taken seriously. These rights issues apply to UK citizens as well as other EU citizens, and are the most important aspect of Brexit, raising rule of law concerns.
Key Points from the Discussion

There were questions and some discussion during and following the expert speakers’ presentations. The following paraphrases and summarises this discussion based on notes taken at the meeting, but should not be considered verbatim quotes.

Devolution

The particular issues in Northern Ireland of the Constitutional premises of the Good Friday/Belfast Agreement were emphasised. These issues need to be understood, especially since the people of Northern Ireland voted to remain, and consent is a concept that is central to Good Friday/Belfast Agreement.

In relation to the Great Repeal Bill and devolution, are competencies going to be automatically devolved once they are repatriated from the EU, or will they be ‘held’ in London before being passed through. Note that in Northern Ireland once rights are a matter of a devolved competence they can only be watered down with the agreement of both communities.

Human rights questions are already particularly complex in the context of devolution because they are both reserved and devolved. In addition, there is the potential that the UK’s actions on Brexit will constitute a denunciation of, or be incompatible with its obligations under the Good Friday/Belfast Agreement, which is an international agreement.

Devolved competences will be a complex matter in relation to Brexit. In Scotland, there is an expectation that matters that are not reserved are devolved, and hence would return to Scotland upon Brexit (e.g. agriculture). If those competences do not to return, then there would need to be an amendment of the devolution Acts. In Professor Douglas-Scott’s view, the Great Repeal Bill would very likely engage devolved competences, and hence raise the Sewel Convention.

The repatriation of competences from the EU to the UK will raise significant rule of law issues in the context of devolution, because it is not clear which will be devolved and which reserved and therefore which government will hold them.

There is particular concern about secondary legislation in devolved nations because it can be difficult to say whether a matter is devolved or reserved. It is possible that Henry VIII clauses could be used to revoke legislation that applies in devolved regions as well as in UK because it is difficult to say whether a matter is devolved or not, for example the Equality Act straddles a huge range of competencies.

The current power under s 2(2) ECA is exercised by devolved legislatures, and hence you would expect a similar arrangement for the repeal or replacement of EU law. That is, devolved legislatures would decide, not Westminster. However, this would not resolve some matters such as agricultural policy—will agricultural policy be reserved so that the UK has a single policy, or devolved so that there are different policies in different nations?

Timeline for Exit

There was discussion of the timeline for the UK’s exit from the EU, and whether the apparent rush was appropriate. The revocability of notice...
under Art 50 is unclear—opinion is divided. The actions outlined by Mr Howe are enormous given the timescale of two years under Art 50. As such, some doubted the wisdom of triggering Art 50 by the end of March 2017. There is political pressure within the UK for such a timetable, but from a rule of law perspective the rushed timetable removes proper parliamentary scrutiny and processes.

On the other hand, reasons for not deferring notice under Art 50 were identified:

1. Delay has already annoyed our EU partners, and this annoyance will increase with further delay.

2. The uncertainty of Brexit is alleviated by the tight timeline, but exacerbated if the UK delays Art 50 notice. Regardless of whether a deal can be agreed, at least the UK will know where it stands after two years.

The tradition and habits of this Parliament is to take its time on questions of great constitutional importance and to avoid fast tracking legislation of significance. The rule of law requires that we give due regard to regulation and proper laws in the UK. Complex matters such as financial passporting will take time to negotiate, and the UK needs time for due process and accountability including proper consultation.

Accordingly, there was some discussion of the possibility of extending the two year negotiating period. Art 50 includes the possibility of extending the two year period, which requires the unanimous agreement of the UK and all 27 other EU member states.

Of note, there are different requirements for agreement by the EU to different kinds of agreements:

- The agreement on the UK’s withdrawal will require a qualified majority vote in the EU Council (which is around 2/3) without the UK present, and the assent of the EU Parliament. This is the procedure for Art 50 Agreement.

- However, for other treaties such as a trade agreement, the EU institutions alone cannot agree to such treaties, rather, you need to obtain the agreement of all of the Parliaments in the EU member states in accordance with each member state’s rules. Thus, for example, the Comprehensive Economic and Trade Agreement between Canada and the EU is presently being held up because of the objections of the region of Wallonia (the treaty needs to receive the reproval of Belgium’s federal, regional and community bodies (seven in all) before Belgium can agree1).

Accordingly, Mr Howe recommends that the agreements needed with the EU should be segmented so that necessary and relatively uncontroversial agreements such as cooperation on national security can be agreed and in place as quickly as possible.

Professor Douglas-Scott suggested that there might possibly be other ways to extend the negotiation timeline. For example, if there was a disgruntled EU member state that held out from agreeing a treaty with the UK arguing that the treaty did not comply with EU law, the matter could be referred to

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the CJEU. In that case, it is possible that the Art 50 deadline might be delayed, or it might mean the UK would leave the EU without knowing whether there was an agreement in place.

**CJEU**

There was some discussion of the possible extent of the CJEU’s jurisdiction concerning the UK after Brexit, given that Mr Howe had raised the possibility of the CJEU having jurisdiction over matters that arose pre-Brexit. Proposals for the Great Repeal Bill have included importing EU law into UK law. Given that EU law changes, the question was whether that could give rise to cases in the CJEU, and more broadly, what would happen in the UK with respect to changes in EU law that has been imported into the UK given that EU law is dynamic and not static.

Mr Howe clarified that it would not be possible to ‘continue’ EU law in the UK as such and the CJEU will not accept a reference from a non-member state, unless there is a special agreement. The Great Repeal Bill will replicate the substance of EU law in domestic UK law, and subsequent changes to EU law will not apply in the UK post-Brexit.

However, Mr Howe observed that a significant number of preliminary references could be in the queue at the CJEU waiting to be dealt with at the time of Brexit unless something is done to address the issue. Mr Howe advocated for a provision to withdraw references.

A separate question concerned the likelihood of a CJEU case on the irrevocability of notice under Art 50 and whether the negotiation period would be suspended during such a hearing. The question of revocability has not been raised in the present Art 50 litigation, but a future case is possible, and it is uncertain how the CJEU would respond. In particular, Scotland and Northern Ireland both might want to raise the issue of revocability.

Another difficult case for the CJEU would be one concerning the Art 50 requirement that notice be given within a member state's own constitutional requirements. Given the interplay between constitutional obligations and Art 50, some thought that the CJEU might need to consider the UK’s constitution as part of assessing compliance with Art 50, although others disagreed on the basis that the CJEU does not have jurisdiction to consider national constitutional issues.

**WTO**

The feasibility of trade on WTO terms was questioned on the basis that it would be hard to prepare for trade on WTO terms until the UK had left, because the UK cannot negotiate trade until it has left EU. However, Mr Howe takes the view that the UK can negotiate with regard to trade post-exit as negotiations concerning that time would not constitute a breach of EU treaty obligations.

In any case, the UK needs to prepare, for example by grandfathering the EU schedule on tariffs for the UK. Much can be done that needs to be done because instead of trading with third countries as an EU country the UK will trade as an independent state. There are administrative steps needed to prepare for this which are technical and time consuming.

A separate point was made concerning the rule of law and human rights in UK trade policy. The UK should not overlook the rule of law dimension
when making new trade agreements. For example, employment rights, rights to fair hearings, anti-corruption—the UK needs to insert these matters into its new trade agreements.

**Complexity and the Use of Delegated Legislation**

Some emphasised the complexity of untangling the arrangements predicated on EU membership. For example, if the EU bodies no longer certify our electrical goods or financial instruments, how can there be time to ensure there are other measures in place. We have domesticated parts of this law, but there is mutual recognition with other states. Similar examples include the certification of medicines, the recast Brussels Regulation on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, and the Dublin Regulation on asylum. How would it be possible to put in place anything that will replicate those arrangements given that it would take effectively 27 different treaties, nor would it be consistent with the rule of law to put something in place in the UK by secondary legislation. Even with sunset clauses this would be a problem in rule of law terms.

The contrary view was expressed that the degree of complexity has been over-exaggerated. There are other existing instruments and regimes that can be used to replace some EU regulation. Similarly, in terms of the use of delegated legislation, s 2(2) of the ECA could be argued to be contrary to the rule of law. In any case, the only way the necessary law reform can be achieved within two years is to use delegated legislation, and dragging out the process for a longer period would be madness.

However, s 2(2) matters have been considered and passed by the EU Parliament, and the UK also has the EU Scrutiny Committee that scrutinises new EU laws. Thus, s 2(2) is distinct from other Henry VIII clauses, as delegated legislation passed under other Henry VIII clauses receives a lesser level of scrutiny than delegated legislation under s 2(2). Furthermore, it was emphasised that delegated legislation does not receive the equivalent level scrutiny that an Act of Parliament receives. The volume and complexity of secondary legislation that will need to be passed in relation to Brexit means that it will be impossible for there to be sufficient scrutiny.

**Speakers’ Biographies**

**Professor Sionaidh Douglas-Scott**

Professor Douglas-Scott joined Queen Mary University of London (QMUL) in September 2015 as Anniversary Chair in Law and co-director of the Centre for Law and Society in a Global Context. Prior to coming to Queen Mary she was for many years Professor of European and Human Rights law at the University of Oxford, and before that Professor of Law at King’s College London. Professor Douglas-Scott is special advisor to the Scottish Parliament European and External Relations Brexit Inquiry.

**Martin Howe QC**

Martin Howe QC was called to the Bar in 1978 and appointed Queen’s Counsel in 1996, practising in European Union law concentrating on free movement of goods and services, and intellectual property law. He is chairman of Lawyers for Britain, which campaigned for a Leave vote and continues to advocate a clean exit from the EU. He was a member of the Coalition Government’s Commission on a Bill of Rights for the United Kingdom.
Professor Dawn Oliver QC FBA
Dawn Oliver is Emeritus Professor of Constitutional Law at UCL. She was editor of Public Law from 1993-2002, Member of the Royal Commission on Reform of the House of Lords, 1999-2000, Member of the Fabian Society Commission on the Future of the Monarchy 2002-2003, Chair of the UK Constitutional Law Group 2005-2010, and a member of the Executive Committee of the International Association of Constitutional Law 2007-2010. She is a Fellow of the British Academy, and was made an honorary QC in 2012.

Further Reading
We are aware of the existence of the following briefing papers and other materials relevant to Brexit and the rule of law, which we set out below by way of further information only.


