

Home Affairs Committee

Oral evidence: [Post-Brexit migration policy](#), HC 857

Wednesday 20 June 2018

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Members present: Yvette Cooper (Chair); Tim Loughton; Stuart C. McDonald; Douglas Ross.

Questions 244–316

Witness

I: Guy Verhofstadt MEP, Brexit Co-ordinator and Chair, Brexit Steering Group, European Parliament.

Examination of witness

Witness: Guy Verhofstadt MEP.

Q244 Chair: We welcome you to our session of the Home Affairs Select Committee and the inquiry that we are doing into post-Brexit migration options. The unfortunate timing is that we are obviously sitting at the same time as the Withdrawal Bill is being debated in the Chamber, so several of our members are held up in the Chamber and may or may not—depending on the course of events in the Chamber—be joining us during the course of our session. We are very grateful for your time, especially as I know you have given evidence extensively already this morning.

We wanted to concentrate on immigration arrangements, so can I ask you, first of all, do you expect immigration to be part of the negotiations on the future partnership?

Guy Verhofstadt: Chair, first of all, thank you very much for the invitation to come to the House of Commons and your Committee. My answer is very clear and very short: yes, it has to be part and it is not tackled as such in the withdrawal agreement or it is not foreseen, so we need to have migration mobility, I should say, because that is the word that we are using in the future relationship.

As you know, as Parliament, we have proposed to do an association agreement based on four pillars. In one of these four pillars it will be absolutely key to tackle migration to see what system will be put in place, a system that will be a system based on reciprocity I think—that is normal in these cases—a system that is as smooth as possible for both sides. But, let's be honest, it is a point that has not been discussed until now in the future relationship and, secondly, we also wait for a proposal from the British side on this. We hope that in the next White Paper, which has been announced for 9 July, there is a proposal about migration.

Q245 Chair: Would you expect the negotiations on migration to have an impact on the agreement in other areas, or would you expect it to be a self-contained arrangement based on reciprocity simply on immigration?

Guy Verhofstadt: It is naturally a specific matter but it is clear that it will also be influenced by the overall agreement. The more we are choosing or going for a very close relationship in the association agreement, I presume that that will influence—at least indirectly—opposition to migration, because then we want also to have a close relationship on migration and the least burden possible on migration. I see it like that.

The closer we are in our trade and economic relationships, the more, I should say, smooth and easy a system of migration we want to establish from both sides, again—I repeat—based on reciprocity naturally. It is



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difficult to imagine that from the European side we offer a very smooth and easy system of migration while it would not be the case in Britain in proposals from the UK Government.

In the meantime, as you know—maybe we can come back to this—we are concentrating on another issue that your Committee is certainly involved in. That is the rights of those who already live on the continent, for UK citizens and in Britain for EU citizens. That work is not finished—on the contrary.

Q246 Chair: We were keen to ask you about both citizens' rights and existing residents' rights and about some of the security aspects as well. We want to concentrate first on what the migration trade-offs might be in terms of the different arrangements. You said in your speech yesterday that any exemption for visa requirements would need to be at least commensurate with the degree of co-operation in the four pillars. Do you envisage that, for example, if the UK imposed a more restrictive approach for immigration that would lead to more restrictions on trade or not?

Guy Verhofstadt: No. In the first instance, in our approach on migration we should have the same attitude, so we don't hope for that. I hope that we can avoid visa requirements in the future between Britain and the UK. To have a balanced system, a system of reciprocity in which neither for our citizens going to the UK nor British citizens coming to the continent there are high visa requirements. That is the starting point.

That is the reason why I said the more intense we are, the closer we are in this association agreement, in our co-operation in the four pillars, the easier it will be I think and normal to have a migration system that is smooth, open and, if possible, without visa requirements.

Q247 Stuart C. McDonald: Thank you very much for coming to the Committee today, Mr Verhofstadt. I want to ask you, first of all, before we go on to association agreements, about alternative possible models for the future relationship and how that might relate to immigration. The first is essentially the continuation of free movement of people, but looking at how that could be operated slightly differently in the UK in the way it is operated slightly differently in different member states. For example, obviously, the Belgians have a registration system. What happens in that country where EU migrants don't register or they change their address or they leave their country? How does it work in practice?

Guy Verhofstadt: I am not here as a representative of the Belgian Government—even though I am the former Prime Minister of Belgium—to give evidence on how the Belgian system works.

Stuart C. McDonald: Of course.

Guy Verhofstadt: I can explain the way it works—in detail—and for someone who is from an EU country, an EFTA country or an EEA country, or a Swiss national, there is special treatment with two stages: within three months and for more than three months. That was the point that I



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made to David Cameron when we negotiated the agreement a few years ago—that inside the existing EU legislation there are a number of possibilities. It is not that everybody can walk in or walk out of a country. A number of conditions can be put in place, as Belgium does, for example.

One conclusion might be that in the past Britain has never used 100% this room for manoeuvre inside the EU legislation but, okay, that is a discussion of the past. It is not a discussion for the future. We will need to discuss the system in the future, and, I repeat again, for us the smoothest system of migration and labour mobility is necessary. The more the UK Government tries to limit it the more the response of the European Union will be to limit it, and that is not in the interests of citizens.

Q248 Stuart C. McDonald: Sure. I am speaking as somebody who is in favour of the maximum degree of mobility possible. Indeed, I enjoyed exercising my right to free movement by studying in Leuven in Belgium for a year as a student a few years ago. I want to push a bit more on what options are open to a country that is still involved in the free movement of people, to do things differently from how the United Kingdom does it just now. For example, if somebody fails to register in Belgium or somebody no longer is able to show that they are self-sufficient and is asked to leave, in essence, is there anything that can be done to stop them returning to Belgium immediately? How is this scheme enforced?

Guy Verhofstadt: Again, I am not here to talk about the Belgian system. I can do it with a written document on how the system works in Belgium, within the three months and beyond the three months, for an EU national, an EEA national or a Swiss national, or for someone who is not, and what the differences are. Mainly it is registration that you have to do. After three months the basic principle becomes that you have to show not only your registration but you have to show that you have the means to live in Belgium, that you have a certain income and also health insurance. That is the basic principle. That is not only applicable in Belgium. This is applicable in most countries.

When we said, in discussion with Mr Cameron, “Why don’t you strengthen British legislation on this issue?” The answer was always, “No, then it will also apply to UK nationals, to our own people, and we do not want to do that”. I repeat that my impression has always been that Britain has never used 100% the possibilities of the room for manoeuvre in the EU legislation on labour mobility, which has been used by other countries that have made a number of requests, who have a number of requirements, who have put a number of conditions. That never existed in the past in Britain.

Q249 Stuart C. McDonald: One final question on the registration system. What would you say are the benefits to the individual member states of having a registration system?



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Guy Verhofstadt: As a liberal, I am in favour of the least possible requirements, the highest possible mobility. This morning I had the opportunity to explain to the Committee that labour mobility in Europe in fact is very low. Labour mobility is only 1% of the total workforce in Europe. That means that only 1% of the total workforce in Europe is changing in countries where they are working, so it is very low. In the US, for example, labour mobility is 10%. I should try to have a very close relationship and, on migration, the least burden possible; if possible without a visa.

Again, a lot depends on the proposal that we expect from the British side on how they see migration in the future because migration, and especially labour mobility, was one of the key drivers—may I say that?—of the referendum that was held. Let's wait and see what they are proposing in the White Paper in a few weeks.

Stuart C. McDonald: On the White Paper, have you been told explicitly that it will include proposals on future migration policy?

Guy Verhofstadt: No. We talked about a lot of other things, mainly on the possibility of an association agreement, which we spoke about but not specific items or matters.

Q250 **Stuart C. McDonald:** If the White Paper is silent on the issue of mobility, does that make it very difficult to progress the talks on future trade, based on what you said earlier?

Guy Verhofstadt: It has to be part of the total agreement on the future, in the political declaration that we are preparing for October/November. I cannot imagine a political declaration where we don't also tackle migration and mobility, where we give an indication of how it will work. Again, from our point of view, under the umbrella of an association agreement but that is not a problem.

Q251 **Stuart C. McDonald:** Could I move on to a different possible model of a future relationship? That would be the EEA model, if I could call it that. Is UK membership of the EEA a realistic option, in your view, either as a temporary measure or as—

Guy Verhofstadt: That is an answer that only you can give because we are not against it. First of all, an association agreement and the EEA are not two different things. An association agreement is a framework, in our opinion, with four pillars. Inside the trade and economic pillar there could be an EEA. There could be a customs union. There could be a combination of both. There could be the single market. There could be only a small trade agreement. The economic pillar of an association agreement gives a lot of flexibility for a very small partnership or a very broad, intense partnership.

I know that the EEA apparently has become a toxic word—may I say that—in British politics and even the word "Europe" has become a toxic word in British politics, but that is possible, yes, and the Union is not



against it. The Union and the European Parliament have specifically said in their resolutions that we can live with a single market, EEA, a customs union, but not by saying, "Yes, we want the EEA but not, for example, the freedom of movement of people" or, for example, "We want the customs union" but, at the same time, "look, look, look, we want the customs union but the capacity to make trade deals is for us. That is for the British Government". That is not compatible.

The association agreement is a framework and a close partnership on economics and trade for the European Parliament, for every institution, and can be the closest possible but we have to take into account the red lines that have been put forward by the British Government. On the other hand, we cannot undo the principles of the European Union by saying, "Yes, yes, yes, you can come into the single market and forget the freedom of movement of people".

Q252 Stuart C. McDonald: If the British Government turned around and said, "Membership of the EEA is not our end goal, but we could use that as a transitional arrangement for a decade", how would the European Parliament react to that?

Guy Verhofstadt: Is that the transition?

Stuart C. McDonald: Yes.

Guy Verhofstadt: When you say "a transitional arrangement for a decade" that seems to me to be real politics. It is transitional but it is for a decade. Again, I think there is no opposition from the European side to such types of proposals. It is from the British side. They can accept to lift them based on the principles that are linked to the EEA on labour mobility. That also means freedom of labour mobility but it is a little bit different than for the European Union.

If I understand it well—and I hope that I understand it well—it is a little different, in the sense that an emergency brake can be launched in an EEA country more easily than in the single market in the European Union. First, you need an assessment by the Commission. They have to give the green light before you use your emergency brake, while in the EEA the emergency brake can be launched by a member state itself, so it gives more room for manoeuvre for the UK. It could be more interesting compared to the actual membership.

Q253 Stuart C. McDonald: On the issue of the emergency brake, some of the evidence that we have heard previously suggested that a country like Norway, for example, has found it difficult to think about using the emergency brake, because the parameters around the emergency brake are not particularly clear and it fears reciprocal action from other members. Would there be any possibility of trying to negotiate a more clearly defined or perhaps slightly different emergency brake if this sort of proposal was being pursued?



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Guy Verhofstadt: If you come forward with the idea of the EEA you then have to work with the freedom of movement treatment that is linked to the EEA. It is very difficult to start to invent so-called new—but, nevertheless, for such discussions I think the European Union is open to do so. It depends a little bit on the proposals we will receive in the White Paper from the British Government.

Q254 **Chair:** If I can follow up, in terms of the sorts of safeguard measures that could apply, there is obviously a wide variation across EU countries in the level of migration. The UK and Germany have had significantly higher levels of EU migration than other countries. Can you say anything more about the sorts of safeguard measures or emergency brakes that you think might be negotiable within an EEA style arrangement?

Guy Verhofstadt: I refer to what exists today in the EEA context. I am not a specialist. There are others in the European Parliament in our committees who are specialists on that, but I refer to what exists in the EEA. The EEA gives the possibility of an emergency brake when there are problems in a sector, when there are extraordinary circumstances, to limit labour mobility. If I understand it well, with this main difference with the single market the emergency brake can be activated by the state itself when it thinks that these conditions are met. What is not the same in the single market is where there has to be an assessment first by the Commission. That means, in fact, that in the single market the European Commission can give the green light to use the emergency brake. In the EEA that can be done by the member state itself. I think that is a huge difference.

Q255 **Chair:** Moving on to the trade agreement or association agreement options, if the UK, for example, proposed that it wanted the kind of arrangements for EU citizens as we currently have for non-EU citizens, so visa arrangements for most people coming for longer than any short period of time or certainly for coming to work, what kind of trade consequences do you think that would have? Would that affect the kind of trade agreement that the EU would be willing to sign up to?

Guy Verhofstadt: It will not make it easier, but the more open the proposal from the British side on migration that will also help to have a good deal on trade and economics. But what I want to point out is that it is independent from the association agreement. The association agreement is a framework. The association agreement and the trade and economic part of it, like the other parts as we see it, you can only put a very tiny trade deal with, for example, very severe migration and visa requirements, or you can go into a single market or EEA option.

The advantage of the association agreement is not that it gives you a solution for what the trade or economic relationship should be between the EU and the UK. The advantage of the association agreement lies in the fact that you create one governance structure in all co-operations. You also create one ratification cycle in this, so that you don't have 10 agreements that need to be ratified in all 27 member states, certainly for



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the mixed agreements. You avoid all of this. You have an association agreement. We know what it is. It is Article 8 2017. We have tens of association agreements. How intense depends on the agreement we make between us, but the advantage is you create one governance structure at civil service level, at ministerial level and at the leadership level of the UK and the EU.

At the same time you make it possible to have one ratification process. Moreover, once that association agreement is approved by the European institutions, the Council and the Parliament, the association agreement is then applicable. You don't need to wait for the ratification of the 27 member states. Ratification can follow afterwards. Immediately after the conclusion of the association agreement this will apply and this will reshape the relationship between the EU and the UK. If you have a range of specific agreements my fear is that we will enter into a long, chaotic period of ratifications in member states, with a very uncertain outcome.

Q256 **Chair:** In terms of the content, do you think the Ukraine agreement could be the model for a UK EU?

Guy Verhofstadt: No, in the sense that the UK has said, "We don't want an ECJ oversight", and that is one of the elements of that. I have said many times already, the Ukraine agreement is an association agreement but an association agreement is not a Ukraine agreement. The Ukraine has only the possibility of an association agreement and that has created a lot of misunderstanding, certainly here in Britain. When you talk about an association agreement, people say, "Oh, yes, Ukraine". No, no, no, we have tens and tens of association agreements with different countries in the world: Mexico, Chile or the Ukraine naturally, and they are bespoke. It can be used for the establishment of a close relationship in different fields but the content can be very, very different. The Ukraine is not a template for our case here that we are discussing.

Q257 **Chair:** Suppose the UK removed the red line on ECJ but kept the requirement to have changes to free movement, would the Ukraine be a model in those circumstances?

Guy Verhofstadt: I have doubts that it is a model because the aim of the Ukraine is to enter the European Union. That is what I understand, even when that give some difficulties in some countries.

Q258 **Chair:** Sure, but it is a model that exists. It is a model that was drawn up and agreed to. Whether the aim is something different, there is no guarantee, even once the Ukraine arrangement is in place, that the Ukraine then moves to the next step. It obviously hasn't even got that far.

Guy Verhofstadt: No, there is no guarantee that this is happening, so I always avoid the example of the Ukraine just because of the fact that it is a specific agreement and people here think, "Okay, we have to replicate that if we want an association agreement". No, you don't have to replicate the Ukraine agreement.



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Q259 **Chair:** Obviously it doesn't have to be the Ukraine model, but what I do not understand is why it could not be a possible model. The fact that there is a different possible further journey step does not affect the fact that everybody has to be happy with the agreement itself. The EU was clearly happy with that agreement itself, so could the EU be happy with a similar agreement that obviously would have to have the ECJ agreement signed up to it?

Guy Verhofstadt: You will never have a problem with that because we did it with the Ukraine. It has an oversight by the ECJ. We will not have a problem. I think that the problem will come from this side of the Channel not from our side of the Channel.

Q260 **Chair:** You think that if the UK was happy with that the EU side probably would be?

Guy Verhofstadt: As we will be happy if the UK says, "We want a single market" or "We want a customs union" or "We want a combination of both". That is no problem. We have said in our resolutions that we want the deepest relationship that is possible.

Q261 **Chair:** Neither the Ukraine, as I understand, nor Jersey have full free movement arrangements but do have arrangements with the single market. Do you think either of those would be possible models, so if there was some change or some different approach to free movement but still have a very close relationship on the economics and trade, or a very close relationship with the single market?

Guy Verhofstadt: We did it with the Ukraine so there are possibilities, yes. But again we are not stuck on one model, so, if the proposal from the British side in the White Paper—which will be a miracle if it happens—is to say, "Yes, we want to stay in the single market" there will be nobody from the European side saying, "That is not possible". We say, "Yes, that is possible but the consequences on free movement is this or that" or exactly the same for the EEA, exactly the same for the customs union. The customs union is more this problem of we will negotiate a trade deal in the future.

Q262 **Chair:** I want to clarify just on what the Ukraine model would be because the Ukraine model obviously does have partial integration into the single market, a single market for both goods and services where EU rules are implemented but not free movement. I am trying to clarify. At one point you seem to be saying that you thought the Ukraine might be a model. At another point you seem to be saying you could not have single market participation without—

Guy Verhofstadt: Yes, they do not have full access to the single market. That is not what they have.

Q263 **Chair:** Therefore, the level of integration with the single market that the Ukraine has might be an option?

Guy Verhofstadt: Exactly.



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Chair: Thank you.

Q264 **Douglas Ross:** Good afternoon, Mr Verhofstadt. First of all, can I ask how successful do you think you have been so far in these negotiations?

Guy Verhofstadt: From the withdrawal agreement more or less 80% has been agreed on.

Q265 **Douglas Ross:** Sorry, my question is: how successful do you feel your side has been in getting concessions and so on? If you were to mark yourself, how well do you think you have performed?

Guy Verhofstadt: I am not directly negotiating so I am not in the best position to judge that, so 80% in the withdrawal agreement. Yesterday they announced seven additional agreements on seven more specific technical issues that are part of the withdrawal agreement. Then, yes, we need to start on the future relationship, and there we have to start the discussion after the publication of the new White Paper by the British Government.

Q266 **Douglas Ross:** As Chair of the European Parliament Brexit Steering Group, how successful—

Guy Verhofstadt: It has not gone fast enough for us. That is clear. As I have already indicated, we still have outstanding issues on citizens' rights, which we have tried to resolve and, up to this time, we haven't really entered into negotiations on the future relationship. It goes slow. That is the reality, because we need to deliver a political declaration on the future relationship within how many months? Three months? Four months?

Q267 **Douglas Ross:** As 50% of the Committee in front of you today are Scottish, can I ask: is your memory of what you have said about Scotland better this afternoon than it was this morning?

Guy Verhofstadt: What do you mean?

Q268 **Douglas Ross:** This morning you said you could not remember saying something, where it was said or remember tweeting about the possibility of Scotland—should it ever become independent—joining the European Union.

Guy Verhofstadt: We are not involved in the constitutional discussion.

Q269 **Douglas Ross:** You did not say that in February 2017. You said it was a perfectly acceptable possibility. You did not say that on 24 June 2016 when you tweeted that it is wrong that Scotland may be taken out of the EU when it voted to stay, "Happy to discuss with Nicola Sturgeon"? Why were you—

Guy Verhofstadt: What I did; what I did.

Q270 **Douglas Ross:** Yes, so you were happy to discuss that with Nicola Sturgeon but you then said today that you had never asked a negotiator



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or a co-ordinator for the European Parliament to intervene in the institutional set-up of any country involved in this.

Guy Verhofstadt: Exactly.

Q271 **Douglas Ross:** Therefore, in those discussions that you had with Nicola Sturgeon, you did not feel you were intervening in any way?

Guy Verhofstadt: If Mrs Sturgeon wants to discuss with me the fact that the majority of the people—

Q272 **Douglas Ross:** That tweet I was quoting was you saying you would be happy to discuss with Nicola Sturgeon.

Guy Verhofstadt: Well, I did. I got this meeting with her where she explained that a majority of the Scottish people are not in favour of leaving the European Union, that she hopes for a solution where the outcome of the referendum can be in accordance with the wish to stay in the single market and in the customs union, because that is the main proposal from the paper that the Scottish authorities have published. That is still an option. From the British side, if they want to go in that direction, and we can find solutions for the freedom of movement of people, that could work.

What I have said on several occasions is that I will not intervene in the constitutional order. We as Europeans have not intervened in the constitutional order of Britain saying, "Oh, yes, solve your problem by exploding your United Kingdom". That we will not do. That is not our task.

Q273 **Douglas Ross:** I like your language about "exploding the United Kingdom" if we were to vote for independence, but you did say in September 2016, "If Scotland decides to leave the UK to be an independent state and they decide to be part of the EU, I think there is no big obstacle to do that". Do you still support that?

Guy Verhofstadt: That is a simple fact but that is not—

Q274 **Douglas Ross:** You don't think that is an obstacle for them to simply rejoin?

Guy Verhofstadt: I think that the problem, for the moment, is not that, but how we can find a close relationship between the UK and the EU, and during that discussion we will not do anything that interferes in the constitutional order of the UK. We are going to avoid that absolutely. That is not our task.

Q275 **Douglas Ross:** Thank you. What does the European Union get by way of a benefit from the United Kingdom being part of the European Arrest Warrant?

Guy Verhofstadt: I remember the European Arrest Warrant very well because I was the Chair of the European Council when we took the decision for the European Arrest Warrant. It was in the aftermath of the



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9/11 attacks that we decided to have the European Arrest Warrant. In fact, it was a project that was on the table for a long time and we finally got an agreement on this in 2002. It was formalised in 2004, after a long transition period, until 2014 for the Italians because Italy only entered the EU in 2014. I think it makes it far easier for the authorities compared to the old style extradition arrangements that we had, and it is a system that is fully embedded in European law under the oversight of the European Court of Justice. It is one of the successes of the European Union. There are also a lot of failures of the European Union but this is maybe a good day for the European Union that we had.

Q276 Douglas Ross: Do you think it would be dangerous if Michel Barnier gets his way and the United Kingdom is not allowed to remain part of the European Arrest Warrant?

Guy Verhofstadt: It is impossible if you go out of the European Union, because the European Arrest Warrant is a European arrest warrant for European countries; and secondly, like I said, it is also under the umbrella and oversight of the European Court of Justice, which the UK Government cannot accept. What we are looking for, which I have indicated in an intervention before the European Union Agency for Fundamental Rights in Vienna—and, Mrs Cooper, I have a copy for the members here—

Douglas Ross: We have a copy.

Guy Verhofstadt: You have it already.

Chair: We are well prepared.

Guy Verhofstadt: Modern times; it goes fast. What we have proposed is, yes, we at least need an extradition agreement with Britain that, in substance, is flexible and takes over as many elements of the European Arrest Warrant as possible. For example, shortening the period because in an extradition agreement periods can be long, months and months and months, so with shortened periods, with more flexible conditions in it, so that we are not copying the European Arrest Warrant but we have a system in place between the EU and the UK that, even when it is not the European Arrest Warrant, is a flexible, useful and effective instrument.

That is not only the case with the European Arrest Warrant. It is also the case for co-operation with Europol, for co-operation with Eurojust and for co-operation and sharing of information in databases. For all of these elements we will need to find a way forward where, because of Brexit, and with imagination I should say, we recreate a system with the UK that does not lessen the tools, the mechanisms and the instruments we have today in the fight against terrorism, in the fight against—

Q277 Douglas Ross: Given how important you said the European Arrest Warrant is to the European Union, do you not think a lot of the benefits that are currently shared across the EU could continue to be shared with the UK's involvement with the internal security treaty that has been



suggested by the UK Government?

Guy Verhofstadt: We shall share it but not based on participation, for example, in databases but on a reciprocal exchange of information that exists already between the European Union and a number of other states. We are looking for—

Q278 **Douglas Ross:** But the UK is slightly different, given that it has that set-up at the moment. As the UK Government said in response yesterday, the United Kingdom starts from a unique position of complete alignment, whereas other countries did not start off like that.

Guy Verhofstadt: Yes, but I have to add a little bit more to what you are saying. There are a number of policies and institutions where Britain has an opt-out. It is not participating. I was very surprised when the UK Government published their proposals on internal security to see that, on a number of issues where the UK is not in these policies, they now propose to come in on these policies.

You are not in a number of policies on home affairs because you have chosen an opt-out. You go out of the Union and you say, "Yes, now we want to come in", so the logic of this escapes me completely: you have an opt-out for a number of policies in the home affairs' area, you go out as a member of the European Union and you want to come in on these matters.

What we try to do is to not have an ideological discussion. What we try to do on every one of these important instruments of internal security—be it sharing of information and databases, be it Europol or Eurojust, be it the European Arrest Warrant, be it whatever other instrument for internal security—is to have, within the legal framework, the closest co-operation as possible between the EU and the UK. But you cannot say, "Okay, everything has to be exactly the same" plus a number of policies that you have never participated in in the past. That is a little bit strange and also is not possible.

Mr Barnier did the same thing yesterday. He in the name of the Commission and I in the name of the Parliament, we have tried to make a list of how we see this future co-operation as close as possible between the EU and the UK, taking into account the legal framework that we have.

Q279 **Douglas Ross:** Can I ask a little about free movement, which we have discussed? From the European Parliament's point of view and representatives who are sent there and otherwise, do you accept that there is an appetite to have reform of free movement across the EU? It was clearly a major issue in the referendum here in the United Kingdom, but since then do you think there has been an increase in the appetite, among other countries in the EU, to see reform of free movement?

Guy Verhofstadt: No, certainly not when we link that problem to the internal market. The problem has never been a big discussion in fact on the continent, may I say, and Britain is different, of—



Q280 **Douglas Ross:** You don't think it is increasing, though?

Guy Verhofstadt: No. The problem that is more preoccupying for the moment is migration coming from outside the European Union. There you see a huge challenge. The Union needs to manage that and up until now, let's be honest, it was not very convincing in the way it managed it. The management of the external border is not fully satisfying, let's be honest, because it did not exist even in the past and we started with Schengen without an external border management. It was quite strange to start by abolishing your borders inside an area when you don't have common management of your external border.

We don't have an appropriate asylum system that is credible, because it is still the Dublin system and that is not a European system. That is the negation of a European system because the burden is put on the countries of entrance. We have not taken full responsibility for those people who want refuge or to come to Europe. We like to make deals with Turkey or Libya, outsourcing our problems, and on legal migration we have no consistent European system that works. We have a patchwork of 27 or 28 national systems and, on top of that, we have the Blue Card that, in fact, is an additional system that is not replacing the national system of economic migration.

Let's be very honest about it, we have been very unsuccessful in tackling the problem of migration from outside the European Union, but inside the labour mobility has not been a major source of problems or criticism because everybody in the continent understands that, when you are talking about the single market, there cannot only be the freedom of movement of goods or services or capital but there needs to also be the freedom of movement of people.

There are some countries in the single market that specialise in goods, so they have the advantage of the single market with their goods. Some countries specialise in services. We are here in the capital of a country that specialises and has a huge advantage in services, like other countries that have an advantage as a country in the single market because of their workforce. If you want to take out one of these elements you in fact destroy the concept itself of the single market. The single market is not only a question of capital or services or goods or people. It is: and capital, and goods and services and people, all four, because situations are all different in the single market.

In my opinion, there have naturally been tensions, people complaining, certainly in Belgium, the Netherlands and in France, that there is a Polish construction worker working in Paris or in Brussels, but public opinion—people in general—see the overall advantage of the concept of the single market and don't want to destroy it. But we have a lot of problems with migration from outside the European Union, and I wanted to make that different between mobility and migration.

Q281 **Douglas Ross:** No, to get it crystal clear, you do not anticipate any



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reforms to free movement coming forward any time soon because you think—

Guy Verhofstadt: On free movement? No, I think that is not the position.

Chair: Thank you.

Q282 **Tim Loughton:** Mr Verhofstadt, apologies for being late. I was listening to people in the Chamber trying to make a case for why we shouldn't come out of the EU. But, I am confused, what don't you want the UK to have after Brexit?

Guy Verhofstadt: It is not a question of what you don't have or what you won't have. That is not the way we are looking at this whole exercise.

Q283 **Tim Loughton:** Well, indulge me for a while.

Guy Verhofstadt: The way you put your question is like we are looking for one or other punishment or one or other competitive advantage with Britain. We don't look for that, absolutely not. What we are looking for is that you have taken a decision. We have to implement it based on the rules in the treaty, and that is what we try to do.

I want to tell you that nobody finds what we are doing a fantastic thing. I find it a failure of the European Union that Britain is leaving the European Union, but it is a fact and we have to live with the fact. It is to the advantage of both sides—the UK side and the EU side—to get it right and to have a very close relationship. That is to the advantage of everybody because, in a world that is more and more globalising, it is also a good move to still have a very close relationship on every issue. There is no question of punishment or that we are looking to do this or do that, absolutely there is no sentiment as—

Q284 **Tim Loughton:** You are perfectly happy for the UK to have full access to the single market without freedom of movement of people?

Guy Verhofstadt: No.

Q285 **Tim Loughton:** I asked you: what don't you want us to have?

Guy Verhofstadt: I am 100% in favour of you being a member of the single market, complying with the rules of the single market, and the rules of the single market include the freedom of movement of people. That is what I explained for the last five minutes, that it is a whole concept and that you cannot pick and choose one element out of this concept and say, "Yes, we like everything, services, goods, capital but not people. We don't like people. They cannot come. Our goods can go out. Our capital can go out. Our services can go out but not people". That is not the single market.

If you don't like that then you have to go into more of an EEA type because there you have a system that is a little bit different, where you



can more easily use on your own discretion the emergency brake, which is not the case in the single market. That was what we discussed, the difference between the movement in a single market system and in an EEA system.

Q286 Tim Loughton: The emergency brake is a complete red herring. It has never been used. It will not be used. It was never part of getting everyone into negotiations. I have tried to get to the bottom of what it is that you do not want the UK to have, on the basis that this is the first time it has happened to the EU? Excepting Greenland, which was a special circumstance and is not a sovereign nation in its own right, no one has ever left the EU before. Therefore, there is not a rulebook that says, "This is what a departed country must look like in its relationship with the EU". Therefore, there is no reason why you should not be prepared to negotiate on a bespoke agreement that is to our mutual benefit, so I go back to my original question: what don't you want the UK to have at the end of this negotiation?

Guy Verhofstadt: The UK can have everything that it wants if it—

Tim Loughton: Especially in there?

Guy Verhofstadt: —respects the principles and the system of the European Union. It is as simple as that. That is what we are saying, and that is what Mr Barnier is saying and what we are saying in our resolution. What we have tried to do, that is true, in our latest resolution in March, is to find a way where you can marry the red lines of the UK Government with the principles of the European Union.

So, again, if you want a single market, you can have a single market but you have to respect the freedom of movement of people. It is as simple as that. We cannot accept that you are saying, "I want the advantage of the single market but I don't want to comply with the rules of the freedom of movement of people". That is not possible. It is a question of guaranteeing, securing, and also respecting the system of the European Union as it has been built over the last decades with the participation of the UK, by the way.

Q287 Tim Loughton: You understand we are going to have to come up with some form of bespoke compromise as to our relationship.

Guy Verhofstadt: That is true, yes.

Q288 Tim Loughton: That does not fit the rules of being a member of the EU or completely outside of the EU as you have described, so—

Guy Verhofstadt: That is the reason why we say an association agreement because there you have a lot of flexibility. You can have very narrow co-operation. You can have very broad co-operation. That is the advantage of an association agreement. The advantage is that you have one governance system and that you have one ratification cycle. Based on the content of the White Paper, we are ready to examine all



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possibilities. In all our resolutions, we have always said we like the single market most. We like the EEA as an option. The third option is the customs union; a combination of those. We have all said that, if we can also agree on compliance with the rules that are underpinning the single market, that are underpinning the EEA, that are underpinning the customs union—

Q289 Tim Loughton: Okay. We are going to run out of time. Can I come back to your discussion with Mr Ross where you said there are no stumbling blocks, in principle, for Scotland as an independent nation to stay within the single market? I gather you said at the Brexit Committee this morning that Scotland could remain within the single market. Does the same apply to Catalonia?

Guy Verhofstadt: I don't see what the one has to do with the other.

Q290 Tim Loughton: Have you said that Catalonia could stay within the single market if it were to become independent of Spain, which it has voted to do?

Guy Verhofstadt: What I said this morning is I repeated the wish that exists in a majority in Scotland to stay in the single market. That is also the position of the Government of Scotland. That is to continue to have a system in which the whole UK stays in the single market. That is what they are hoping for. They are hoping that the British Government understand at the end that the best option for the UK is to stay in the single market, and that is their preferred option in Scotland. That is the only thing that I understand is their position and what I repeated this morning.

Q291 Tim Loughton: Mr Verhofstadt, you must understand you are not negotiating with the Government or First Minister of Scotland or Wales or when we have negotiations with Northern Ireland, you are only negotiating with the Government of the United Kingdom.

Guy Verhofstadt: Exactly.

Q292 Tim Loughton: Therefore, there is no locus for you to accommodate, in any way, what a certain political party or portion of the population of one part of the United Kingdom might express at the moment, so I ask you again—

Guy Verhofstadt: That is the reason why I have already—

Q293 Tim Loughton: —have you made any similar statement that you would accommodate the wishes of the Government and people of Catalonia, who actually have voted for independence, unlike Scotland, and if not isn't this a blatant double standard of trying to interfere in the constitution of the United Kingdom?

Guy Verhofstadt: It is not interfering in the constitutional order of Britain and of the UK, by recognising that there is a majority in Scotland that has voted to remain. That is not interfering.



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Q294 **Tim Loughton:** There is a majority in Catalonia who voted to go out of Spain, so have you—

Guy Verhofstadt: That is a fact of life. Maybe you cannot accept it, but it is a fact of life that the majority in Scotland have not voted to leave the EU and to simply recognise that is not interfering in the constitutional order. On the contrary, I have repeated myself not once but already 10 times that we will never do anything where we interfere in the constitutional order of the UK.

Q295 **Tim Loughton:** Mr Verhofstadt, I am not denying that—

Guy Verhofstadt: But you give the impression of denying that.

Q296 **Tim Loughton:** —but the vast majority of the regions of the United Kingdom voted to leave the EU. Whether Scotland or London voted a different way is irrelevant because we have collective responsibility of the UK, so I am just questioning why there is one standard for Scotland, apparently, and a completely different standard for Catalonia where I understand you have said nothing.

Guy Verhofstadt: If you want to discuss the situation in Catalonia I am ready to do so.

Chair: That may go slightly beyond the scope of our Committee and our inquiry. We need to move on to security.

Guy Verhofstadt: If you want to discuss the political situation in Catalonia, I like that, and I have a unionist party in my group and I have at the same time the PdeCat, the separatist rights group, so I am a little bit specialised in how you deal with the Catalan Spanish issue. If you want I am ready to do so.

Chair: I think we might resist the temptation to go down the Catalan route—

Guy Verhofstadt: Thank you very much.

Chair: —and turn instead to security co-operation. Tim, you want to—

Q297 **Tim Loughton:** Absolutely, but we note you are not prepared to say anything about Catalonia.

Europol: what relationship do you think the UK should have with Europol, and in what way do you think it will be less helpful for the whole of the nations who belong to Europol than it is now, or can we come up with a relationship that effectively achieves everything we need Europol to achieve, in terms of co-operation and intelligence sharing among all the direct member states?

Guy Verhofstadt: I think that we are already in fairly close co-operation with countries like Australia, Canada, a template for what it will be in this co-operation between the EU and UK in Europol, including very concrete things like exchange of information, including also liaison officers that will be present in Europol coming from the UK. That seems to me also, in my



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opinion, to be absolutely needed and also a possibility. That is what Mr Barnier and I proposed yesterday as the way forward. What is not possible is participation in the management and decision-making process of Europol. That is not possible.

Q298 **Chair:** What timescale do you think—

Guy Verhofstadt: But similar to what we have also done with Denmark.

Q299 **Chair:** For all of the security arrangements, what timetable do they need to be agreed for? Do you envisage any of these arrangements, whether it is the European Arrest Warrant, Europol membership or access to the databases, continuing during the transition period?

Guy Verhofstadt: During the transition it has simply to be a key like it is, the European Arrest Warrant, everything.

Q300 **Chair:** Including the membership of Europol and being on the board of Europol during the transition period?

Guy Verhofstadt: In fact the transition, here in this country the Government calls it the implementation period. We call it the transition period. It is purely a key. We don't change anything and that is the reason that we have a period of, let's say, three years to detail the political declaration of the future relationship. In this three-year period we will need to address this problem and to establish what we see as an association agreement inside the pillar of security, this bespoke association agreement with the UK on Europol, on the European Arrest Warrant. We will have another name actually, and on all the other security elements.

Q301 **Chair:** The UK Government said they want a separate security treaty. Do you see it as being part of a separate security treaty or part of the same association agreement?

Guy Verhofstadt: I see it as the pillar of an association agreement and I should put it there. Why? Because I want to avoid that you have different ratification cycles needed.

We want a security agreement and we want an external security agreement, co-operation on defence and so on, and we want a specific agreement on Europol. We more or less have one now because it is one of the points in the withdrawal agreement. We have an agreement on, for example, the continuation and the participation in Horizon 2020 of Britain and we will make one on trades.

At the end we are going to end with what I call a Swiss situation in which we have tens and tens and tens of different agreements. Some will be mixed and there will be a need not only to ratify them—to approve them—on a European level, but also to ratify them on the national level.

I see before me the nightmare of the ratification period. In the European Union that will last years, if not decades. Therefore, it is far better to put



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everything in one association agreement and you have then only one ratification.

- Q302 **Chair:** In terms of the role of the security issues within that, would you agree that it is in all of our interests to have the closest possible security co-operation regardless of what we agree on everything else, regardless of all the debates or rows on every other issue, we should have the closest possible security co-operation?

Guy Verhofstadt: Exactly.

- Q303 **Chair:** On that basis, you have made a very strong statement about the UK being outside SIS and direct access to the databases. Why would that be a good thing?

Guy Verhofstadt: What we propose is that, if there is no direct access to the database, we would put in place a system of reciprocal exchange of information.

- Q304 **Chair:** That is going to add additional layers of bureaucracy. Compared to what we have at the moment, that will obviously add additional delays and bureaucracy.

Guy Verhofstadt: Not necessarily.

- Q305 **Chair:** Given the number of alerts—the UK has 1.2 million UK alerts in circulation on SIS II, thousands of UK requests to SIS II but also 17,000 non-UK hits on UK alerts—is it not in all of our interests to have just full access on the basis of the existing arrangements, just to the databases, so that our police can share information?

Guy Verhofstadt: Yes, but reciprocal exchange is what we are looking for and we can do that in a smooth way, so that in practice there is no big difference with the direct entries into the databases. We can do that. That is what we are also doing with a number of other countries, as the UN, without any problem. That is what we are looking for and then to get it right, so that it is a system that we can prove and test and say, “Is it working?”

- Q306 **Chair:** We have heard evidence from security experts here that, if we went to any of the models that other non-European countries have with Europol, it would add additional delays and bureaucracy because they have to send their request to somebody else first, then somebody else has to put the request in, rather than just being able to get direct access immediately to the databases. Don't we want rapid communication—as rapidly as possible—without putting extra layers in when we come to security?

Guy Verhofstadt: That is the reason why we have talked about the liaison officers who will have this task to do so. Anyway, if you are part of the database then it is a physical person who has to go into the system. Here, there will be a request by the liaison officer to come to the system.



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Q307 **Chair:** Why would we want to have an additional person in? You still have to have a filter.

Guy Verhofstadt: It is not an additional person.

Chair: It is going to be delays. If I am a police officer and I am looking for some information urgently why can I not just get the access to it directly in the same way? Why would I have to go via a group of officials who will then filter the request, then have to put it in, and add the extra delays?

Guy Verhofstadt: We have this practice of reciprocal exchanges and it works. We are going to use that system to solve the problem of the exchange. In practice, it can give exactly the same results. In my opinion, it can be done and we have to do everything that is done with the same speed and without delay. That is it. You cannot expect that you are continuing to participate in the system itself. That is the point.

Q308 **Chair:** That is the thing I am still not clear about. I completely understand that there will be strong views around Europe about different sorts of reciprocal arrangements, around trade, around free movement. That there will be different views that, if the UK wants to make certain changes to things, there are consequences to it and that will be part of the negotiation. I understand all that. What I am struggling to understand is why the EU would want to change the security arrangements in any way and add any extra delays or additional bureaucracy.

Guy Verhofstadt: That we don't want.

Q309 **Chair:** What will happen to the UK information? The UK alerts that currently go directly on to the database, will they still go directly on to the database? Or will they be on a separate database?

Guy Verhofstadt: It is a reciprocal exchange, so they will go into the system at the end, yes.

Q310 **Chair:** Other countries will be able to access that information immediately? If we hand it over to the SIS system they will be able to access it?

Guy Verhofstadt: I am not a specialist, I am a lawyer; I was a lawyer when I was very young. I am not a specialist of how the database of Europol is working. Maybe it would be a good thing if you have somebody, a specialist in the Commission who can explain all that.

Q311 **Chair:** We will do. I am hugely grateful to you for answering anyway.

Guy Verhofstadt: I can only give you the political line we follow. The political line we follow is that the direct access to database needs to be replaced by reciprocal exchange of information. We doubt having, as a consequence, delays, additional burden, so that to obtain information from both sides it goes as smooth as it is today. That is the goal of the European Union.



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Q312 **Chair:** The reason I am pressing you is—and I am hugely grateful for you giving evidence on this—we have raised this quite strongly with the UK Government because we are deeply concerned, and have raised our concerns that this issue is not being taken seriously enough at the highest levels and that we don't have enough experts at the top having these negotiations concentrating on this.

We are worried that we are going to end up, by default, by accident, with a whole load of additional delays and additional bureaucracy in the system that, as politicians, it is in none of our interests to happen. If the top police chiefs across Europe said to you, "Do you know what? We need to not have this reciprocal exchange of data. We just need the UK to be in because they will have direct access. Then we will have direct access to their information and they will have direct access to ours. This will just be faster and it will keep the European public safer". In those circumstances, would you be able to go along with that?

Guy Verhofstadt: I take on board your concern, and it is also my concern, the concern of the European Parliament that we need, at the end, a system that is as smooth as it is today. That has to be the benchmark. Again, the benchmark cannot be that in any way there is more delay or there is an additional administrative hurdle. That is the goal that we want to achieve. I take on board your concern. More than that, I will be the advocate of it when we discuss with Mr Barnier the preparation of this part of the negotiation. Because I can tell you we are not there in these negotiations.

Chair: That would be very helpful.

Guy Verhofstadt: We need to start the different key elements of the future relationship.

Q313 **Chair:** If you could seek advice from the top European police and security chiefs as well. We are alarmed that this issue, because everybody agrees on the principle, is not being taken seriously enough in terms of the detail. That would be very helpful.

Guy Verhofstadt: I will be well informed as to the new chief of Europol.

Q314 **Chair:** We only have very limited remaining time unfortunately. We are going to have to go and vote shortly. We want to cover some of the issues around existing residence, EU citizens here, and UK citizens in Europe.

Guy Verhofstadt: I thought yesterday maybe I can say a word, if that would be possible because—

Chair: That would be very helpful.

Guy Verhofstadt: —yesterday I got a meeting with Mr Javid on the rights of citizens. You know of this individual agreement, or in the project of this individual agreement, that it is satisfactory in the content of the



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rights but, as we discussed with Europol, the proof is—how do you say that—in eating the pudding?

Chair: Yes.

Guy Verhofstadt: That is certainly the case with the rights of citizens. How will the system work? Will it be a smooth system or not? We have to see exactly the same on the other side for UK citizens living on the continent. There are still a number of concerns we have on the cost of the system, on the fact that vulnerable people should have access. It is more than only people who have an android phone or computer.

Also, on the reaction time of the Home Office. We want a system in which they have to reply in a few working days so that there is certainty. If they don't flag a problem then the registration is done.

They are mainly the outstanding problems we see. We know that the Home Office Minister, the Government, will come with an intention to Parliament to explain how the system will work. It should be very useful if our Committee can continue maybe with your Committee contacts, so that we are sure that—on the continent for UK citizens and here—it is a smooth system, because everybody can be the victim of the Brexit decision but not citizens. I think we agree on that. Let's make a smooth implementation of the Brexit decision without any turmoil for citizens.

We still have a number of outstanding concerns that we raised yesterday on which we seek to make progress in the coming months.

Q315 **Stuart C. McDonald:** Do you have concerns about what happens if people are unable or don't realise they even need to apply for settled status and how that might be enforced? For example, you will be aware of the Windrush scandal that unfolded recently.

Guy Verhofstadt: Yes. The intention of the Home Office, after three meetings now with regard to that, is that they want—besides the fantastic modern internet application that will apply—roll out a network of contact points in the whole country. We have said, yes, that needs to be a real network of contact points. There cannot be one in London and one in Birmingham and then it is, "No, you—" So accessible for all these vulnerable groups.

Vulnerable groups are more than only all the people or people who don't understand the language. There are a lot of people who have no biometric passports, for example, who cannot apply with the system that they will put in place. Or who run on another system other than android and cannot apply on the system. There are also people who have simply no clue how to do it on the internet so will need assistance.

I hope that they are going to detail that in their intention letter or document that they will send to the House of Commons how they will do it. We have asked for the most intense network of contact points that is possible.



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Q316 **Stuart C. McDonald:** Even if you do all of that, say the Home Office does a fantastic job—which I am not absolutely sure it will—inevitably you are still going to have thousands, probably tens of thousands, of EU citizens who have not obtained settled status by the cut-off point. Have you flagged up concerns about how then they might end up as victims of the hostile environment, come the cut-off point? *[Interruption.]*

Guy Verhofstadt: Yes, I was saved by the ring.

Chair: Saved by the bell. Mr Verhofstadt, I believe you have a train to catch as well, so we will conclude our evidence session here. It may take us quite some time to vote.

Guy Verhofstadt: Thank you.

Chair: Thank you very much for your evidence today. We appreciate your time this afternoon. That concludes our session.