

PRIME MINISTER'S RENEGOTIATION PACKAGE – PAPER 3

What is being negotiated for a “reformed EU”?

Prime Minister David Cameron is seeking a number of reforms to the EU in order to make the union more flexible and protect the UK's interests.

The chart below outlines the four areas he wishes to renegotiate and the EU President's proposed changes to meet these requests.

Theme	Prime Minister's request	The renegotiated settlement
Economic Governance	<p>Confirmation that the EU is a multi-currency union; removing the references that have been made that the euro is the EU's official currency.</p> <p>Confirm that the UK would not have to contribute to euro-zone bailouts.</p>	<p>The summit agreed to a set of principles which determine the following:</p> <ul style="list-style-type: none"> • Further economic and monetary union will be voluntary for Member States whose currency is not the Euro. • Member states whose currency is not the Euro will not impede the implementation of legal acts directly involved in the functioning of the Euro area. • Emergency measures to safeguard financial stability of the Euro area will not entail budgetary responsibility for countries whose currency is not the Euro. • The implementation of measures to secure the financial stability of Member States whose currency is not the Euro is a matter for their own authorities. <p>The agreement does not go as far as allowing the UK a “veto” to block ‘banking zone’ proposals. Instead, if any single member outside the banking union believes any of the above principles are being overridden by a certain piece of EU legislation it can request further discussion of the issue. However, if an agreement cannot be reached, the EU can continue to deliver the legislation.</p>
Competitiveness	Reduce excessive regulation on trade.	<p>The summit agreed to “make all efforts to fully implement and strengthen the internal market.” It was also agreed to lower administrative burdens and compliance costs on small and medium enterprises, and repeal unnecessary legislation.</p> <p>Close monitoring and review of this agenda will be conducted.</p>
Sovereignty	An opt-out option for Britain from the EU's founding principle of an “ever closer union”.	The summit recognised that that the UK is not committed to further political integration into the European Union.

	<p>Greater powers given to national parliaments to use a “red card” to block unwanted EU legislation.</p>	<p>The summit agreed to a ‘Red Card’ which would allow 55% of the EU’s national parliaments to object to draft legislation if the objection is submitted within 12 weeks. EU ministers have agreed to drop the legislation if the concerns of national parliaments are not met.</p>
<p>Social benefits and free movement</p>	<p>Address free movement issues relating to foreign criminals and the migration of non-EU citizens via EU citizen spouses.</p> <p>Restricting EU migrants’ access to in-work based benefits and out of work-benefits.</p> <p>Free movement to future members of the EU does not apply until their economies have converged more closely with existing states.</p> <p>End the practice of allowing child benefit to be sent overseas.</p>	<p>The following areas were agreed during the summit:</p> <ul style="list-style-type: none"> • Member States can reject claims for social assistance by EU citizens from other states who do not have right of residence or are entitled to live in the host-country to look for work. • Host countries can take necessary restrictive measures to protect the country from people who pose a threat to public policy or security. • The amounts paid in child benefit to children living in other EU countries can be indexed payments to the standard of living in the receiving country. This will apply to new arrivals straight away and will apply to EU citizens already in the UK from January 2020. • When a new country joins the EU, transitional arrangements can be put in place on the free movement of people from that country. <p>Legislation will be put forward by the European Commission after the UK’s referendum and need to be approved by the European Parliament.</p>