



Campaign for Clarity: Vote Leave and Remain camps answer key SME business questions

As part of its commitment to the small and medium-sized enterprise (SME) business community, the **UK200Group** (<http://www.uk200group.co.uk/>) has launched its Campaign for Clarity ahead of the EU Referendum on June 23.

With this in mind, the UK200Group asked its members and their clients to contribute their most important business questions to a document that was then submitted to **Britain Stronger in Europe** and **Vote Leave**. The answers were received between May 12 and 24 2016 and are documented in the report

The UK200Group, established in 1986, represents a significant group of trusted, quality-assured business advisers – chartered accountants and lawyers – who have over 150,000 SME clients in total. As such, the UK200Group acts as the voice for 1,500 charities, over 10% of all registered academies, more than 3,700 farms, 800 healthcare businesses and over 500 property and construction professionals.

Below are the answers to **the key business questions**. The Remain camp, as the nearest to status quo, has had its answers listed first under a **blue** heading, and the Leave camp has its answers underneath an **orange** heading.

The UK200Group is impartial in the EU referendum debate and seeks only to provide clarity to its members on issues that will affect them. As such, the following answers are provided verbatim from Britain Stronger in Europe and Vote Leave and are combined for the first time in this document.

Agriculture

1. *What would happen with farming subsidies? Would we keep much the same model, and either pay the same and have our farmers receive more than they do now or pay less and have them receive the same, or would we move to a different model?*

Remain:

The European Agriculture Fund for Rural Development, where Britain gets £1.4bn from 2014 to 2020, and CAP funding, where the EU has earmarked £20bn for UK farmers until 2020, are vital sources of income for our farmers, many of whom rely on it for income and may not be able to sustain themselves without this money. Outside of the EU, our access to this crucial funding would be lost.

The leave campaigns make all sorts of promises about spending fictional savings on the NHS, on agriculture, on schools, but the reality is that leaving the EU would wreck our economy, and Vote Leave have already been called out on having a £14bn black hole in their spending plans, so farmers cannot trust them on their fantasy plan for Britain outside the EU.

Leave:

It is not necessary to be a member of the scheme to guarantee funding or subsidies - the UK supported those who produce its food for years before joining the EU, and would continue to do so after we Vote Leave. British farmers would continue to be supported after we Vote Leave. Switzerland, Norway, and Iceland all support their farming sectors outside the EU and the CAP.

In fact, the payments made by these countries are actually more generous than those paid by the EU to member states. David Cameron has guaranteed that British farmers would continue to be supported, writing to the Country Land and Business Association (CLA) 'As long as I am Prime Minister, I would make sure that an agricultural support system would be properly maintained' and appears to commit that he would expect any future Conservative government to do likewise (10 Downing Street, 12 April 2016, [link](#)).

2. *What changes would there be, if any, to import and export tariffs on agricultural or other commodity prices?*

Remain:

If the UK left the EU and did not secure a free trade agreement with it, future UK-EU trade would take place on WTO terms. Some leave campaigners back this option. Under WTO terms, the EU could apply 'Most Favoured Nation' (MFN) tariffs on imports from the UK, including agricultural imports. This would make UK exports to the EU more expensive, hitting our trade.

The EU applies an average tariff of 14% on agricultural imports from non-EU countries (including countries with special arrangements with the EU like Norway and Switzerland). Tariffs could be higher on some products – for example, up to 42% for some dairy products.

Leave:

The independent House of Commons Library has concluded that EU membership actually *increases* the costs of consumer goods, stating that the EU's Common Agricultural Policy 'artificially inflates food prices' and that 'consumer prices across a range of other goods imported from outside the EU are raised as a result of the common external tariff and non-tariff barriers to trade imposed by the EU.

These include footwear (a 17% tariff), bicycles (15% tariff) and a range of clothing (12% tariff)' (House of Commons Library, 18 September 2013, [link](#)). If we Vote Leave, the UK is certain to strike a free trade agreement with the EU which will allow British farmers to sell their produce to the EU without tariffs or quotas. The Foreign Secretary, Philip Hammond has admitted that a free trade agreement in agricultural goods 'would be relatively simple to negotiate' (HC Deb 26 February 2015, col. 501, [link](#)).

3. *What would happen to agricultural commodity prices if there were any trade restrictions of any type?*

Remain:

It would become more expensive to trade in goods if we leave the EU, through new trade barriers and potential tariffs. This would increase the cost of trade to businesses, which could be reflected in higher prices.

Leave:

On 5 May 1998, the European Court refused to strike down a worldwide ban on the export of British beef imposed by the European Commission in March 1996 during the bovine spongiform encephalopathy (BSE) epidemic (Decision 1996/239/EC, [link](#); *United Kingdom v Commission* [1998] ECR I-2265, [link](#)). The ban was eventually lifted by the Commission on 1 August 1999 after a crisis which cost the farming industry an estimated £1.5 billion (*BBC News*, 14 July 1999, [link](#)). The Commission could do the same thing again if the UK votes to remain.

Business Growth

4. *Our surveys show that the number one issue for SMEs is growth – it has been the same issue for four years. Business confidence amongst company directors drives M&A activity – whether it be the confidence of growth or the ability to raise finance. What impact will the decision to leave or stay have on the growth prospects of SMEs? How would it affect investment going forward?*

Remain:

If we leave the EU, our home market will shrink from 500 million to 65 million consumers and we won't have a say over the rules of doing business across Europe, leaving all the power in the hands of our European competitors. The uncertainty while any new deal is negotiated will hit our economy hard – costing jobs, driving up prices and making it harder to fund our public services.

The Organisation for Economic Cooperation and Development (OECD), International Monetary Fund (IMF), Price Waterhouse Coopers (PwC), Institute for Fiscal Studies (IFS), the Treasury and the London School of Economics (LSE) have all confirmed the UK would be worse off under Brexit – confirming the economic consensus that families' economic security is at risk if we leave.

Treasury analysis has shown that leaving the single market would leave the UK worse off by £4,300 for every household. Over 3 million jobs are linked to our trade with the European Union (*Source: HM Treasury*).

Leave:

After we Vote Leave, the UK would improve upon the trade agreements that the EU has negotiated, which have generally proved of limited benefit to British companies. The rate of the UK's export growth to third-party countries with which the EU has a trade agreement has fallen in the case of two out of every three free trade agreements that the Commission has negotiated (Civitas, January 2016, [link](#)).

Outside the EU, we will be able to strike free trade agreements with emerging economies, such as Brazil, India and China. This is likely to reduce prices for consumers and be good for jobs, growth and investment. If we vote to remain, the UK will be unable to make trade deals with the rest of the world as the Eurozone economy stagnates. This means that the UK may well remain unable to trade on favourable terms with major emerging economies in the years ahead, while remaining tied to the failing Eurozone.

Investment into the UK from the EU will continue after we Vote Leave. Surveys of international investors show that they want the UK to have looser links with the EU (EY, 2013, [link](#)). The pro-euro campaign made all sorts of claims that investment would collapse unless we joined the euro (*BBC News*, 12 May 2003, [link](#)). It didn't happen then and it won't happen if we Vote Leave.

Charity and Education

5. *What is your advice to charities wishing to make known their views on Brexit given the warning issued by the Charity Commission that charities should only enter these are under exceptional circumstances, and that those who do will be watched carefully by the regulator?*

Remain:

Key Points from The Charity Commission Guidance (March 2016):

‘In exceptional cases, charities may consider that the outcome of a referendum is likely to affect directly, positively or negatively, the delivery of their charitable objectives.’ (p.1)

‘Political activity can only ever be undertaken in support of your charitable purposes.’ (p.1)

‘You should be able to explain why you are getting involved in the EU Referendum and how you reached your decision to do so.’ (p.2)

When making a decision, Trustees must ensure there is a written record of the decision making process. The minutes should include:

How the action agreed furthers and supports your charitable purposes

The basis on which you have decided that the activity is in the best interest of your charity within its charitable objects

The risks involved that you have identified and how you will avoid them within charity law

Any conflicts of interest that you have identified and how you propose to deal with them

Leave:

This is a decision for the UK public, and while Vote Leave welcome everyone’s contributions to the campaign, this ought to be respected, particularly by those who may have conflicts of interest through receipt of EU funding.

6. *A great many charities and social enterprises receive vital funding through European Grants. What will replace this funding if the UK voted to leave?*

Remain:

EU funding helps charities work with partners across the continent and to foster civil society. 249 different UK charities and third sector organisations benefitted from over £217 million in funding from the EU in 2014.

Examples of British charities that have been supported by EU funding include Oxfam, which received more than £38 million, the International Rescue Committee, which got over £22 million and Save the Children, which received more than £19 million.

The Leave campaigners are unable to guarantee that EU funding will be replicated if we leave the EU.

UK charities are set to benefit greatly from EU funding over the next years:

- EU Structural Funding, where Britain receives £8.3bn from 2014 to 2020, is used across the country to help people into jobs, create apprenticeships, and provide skills training for workers
- EU research and development funding, where under the last funding round our universities and SMEs received £5.6bn (and the budget for the next funding round is the biggest ever), helps Britain lead the world in science and research

Leave:

We pay into the EU twice as much as we get back. Every year, we give the EU nearly £20bn, over £350m every week. For 40 years we have been net contributors to the EU. Were we to leave, we would not only be able to match the EU's current funding but would also have a large reserve of new funds to tap into, funds that could be invested in our priorities, including the NHS, but also deserving charities and social enterprises. All that happens now is that these groups get some of the UK's money back.

7. *Recent polls suggest that the overwhelming majority of individuals running charities and social enterprises will vote to stay in Europe. What would those campaigning to leave say to them to allay fears that funding to the sector will be lost?*

Leave:

It is anti-democratic to support a system that privileges the decisions made by unelected bureaucrats in Brussels over the decisions of elected politicians and UK voters. If UK voters consent to being taxed in order to provide the funding for these charitable and social enterprise organisations, there is no reason to fear such a loss in funding. If anything, funding in this area could well increase, after we no longer send £350 million to the EU every week.

8. *Universities UK, which represents vice chancellors, has said that leaving the EU have a negative impact on the standard of higher education, would damage scientific research and damage graduate job prospects - please comment.*

Remain:

It's clear that our universities are stronger in – they benefit from great opportunities through EU funding for science and research cooperation.

Over 200,000 UK students have spent time abroad on the Erasmus exchange programme. Students who have undertaken placements on the Erasmus programme are 50% less likely to experience long-term unemployment than their counterparts.

Outside of the EU, we could lose access to vital funding for UK universities and our students, which would hit us hard.

Leave:

The UK is an unchallenged leader in the provision of university education in Europe, with our universities significantly outperforming those of other countries in the region. The UK has the three top universities in Europe - Oxford, Cambridge, and Imperial College London. 34 of the top 200 universities in the world are UK institutions. This is over a third of the 91 universities based within the EU in the top 200.

Given this, and that the UK is a net contributor to the EU budget, after withdrawal from the EU it could replace the funding currently provided to UK universities, or alternatively participate in such programmes (eg. ERASMUS+) without being a member of the EU. There is no prospect of staff or students who are EU nationals and currently lawfully resident in the UK being removed. Universities UK, in their 2014 annual report, noted that they had lobbied the Government to mitigate the impact of the Immigration Act 2014 on non-EU students. However, the current restrictions placed on non-EU students are only likely to be lifted if the UK has the ability to control economic migration from the EU, which will only be possible following withdrawal (Universities UK, July 2014, [link](#)).

Employment

9. *Many SMEs cannot find the skills they need to do the work they have, so free movement of people is important. How will SMEs' ability to find and retain the right people be affected? This applies across the board, from minimum wage workers to skilled professionals.*

Remain:

Within the EU, small businesses can draw on skilled labour from across Europe with no red tape or complications. Were we to leave the EU, many businesses would find it harder to recruit the brightest and best to help them grow and create jobs.

Leave:

After we Vote Leave, the UK Government could introduce an immigration system that is fair and works for the UK's economic interests. The EU's immigration system is immoral, expensive and out of control. EU law demands that the UK has an open door to European countries, while simultaneously stopping highly skilled people from outside the EU coming to the UK to contribute. This has resulted in large numbers of people from across Europe coming to our country.

10. *The UK relies on the freelance community to provide a highly skilled flexible workforce, as do most other EU countries. With so many UK freelancers physically working elsewhere in the EU or at least their clients being based there, having unified and relatively simple VAT rules combined with mobility of labour is key. There is enough red tape in operating a small limited company – will leaving the EU help or hinder this business model?*

Remain:

Leaving the EU single market would prove a nightmare for any business that wants to recruit or trade with the EU. Independent experts at the LSE have pointed out that if Britain left the EU it would lose access to the coordinated VAT collection of the EU, so a 20% VAT would need to be paid at the UK border and the importer would no longer have the convenience of combining this with domestic VAT payments.

Leave:

After we Vote Leave, our VAT rules would no longer be determined by EU law. The Government accepts that VAT rules for cross-border trade 'can be complex and confusing' and that 'UK businesses also experience delays in the processing of cross-border VAT refunds in some EU Member States'. The annual cost of completing VAT declarations in the EU is estimated to be €40 billion (BIS, February 2014, [link](#)).

Outside the EU's common system of VAT, we could simplify VAT rules substantially. After 40 years of membership, only around 6% of British companies export to the EU, but 100% are

caught by EU red tape and have to comply with the full burden of EU regulation (Business for Britain, January 2014, [link](#)). This is damaging. If we take back control we can run our economy in the interests of millions of small businesses and entrepreneurs.

11. At present the freedom of movement within the EU allows the NHS to fill staff shortages with workers from outside the UK. What would happen to this if we were to leave the EU? Would there be restrictions on recruiting new staff and would this result in a shortage of skilled workers?

Remain:

Over 100,000 EU nationals work in the health and social care sector. If we left Europe, our ability to staff the NHS would be put at risk, causing waiting times to go up and the quality of care to go down.

Treasury analysis shows that the economic damage from leaving would leave our tax receipts facing an annual £36 billion black hole. That's the equivalent of NHS England losing over a third of its budget. Hospitals, ambulance services, and health professionals are all at risk if we leave Europe.

The people campaigning to leave the EU, including Nigel Farage and Vote Leave Director Matthew Elliot, have for years campaigned to privatise the NHS. They can't be trusted with the NHS.

Just 1% of government spending goes to the EU, about £7 billion. If we left the EU, the Treasury estimates public spending would be hit by £36 billion. It's simply not true that leaving the EU would free up resources for the NHS. It won't. Leaving means less money for the NHS, not more.

Leave:

EU freedom of movement rules actually undermine patient safety. Despite the General Medical Council's objections, EU law requires the UK to recognise automatically the qualifications of doctors trained in other EU member states. 10.9% of doctors registered in the UK qualified in another EU member state. EU law means it is not possible for the General Medical Council (GMC) to require all EU doctors currently practicing in the UK to undergo systemic language tests (European Commission, 22 June 2011, [link](#)).

Whilst it is true that the UK is more reliant than many other countries on foreign healthcare professionals, a vote to leave the EU would allow the UK to recruit more highly skilled healthcare professionals from outside the EU. We would also have sufficient funds available to invest in training and retaining UK doctors and nurses.

According to the British Medical Association (BMA), one of the main causes of the junior doctors' strike is the end of automatic annual pay progression. If we Vote Leave on 23 June, we could afford to reintroduce automatic annual pay progression, which would cost just under £1 billion and is just 5% of our annual contribution to the EU (Vote Leave, 25 April 2016, [link](#)). We could also use savings from our contribution to the EU to prioritise training more doctors and medical staff in the UK.

12. If the UK leaves the EU, will workers be at risk of no longer being protected by the Working Time Directive?

Remain:

Workers' rights are protected by EU legislation, including entitlements to paid holiday of at least four weeks a year, maximum working hours, anti-discrimination laws and statutory paid maternity and paternity leave. If we left the EU, a future government would no longer be bound to adhere to these hard-fought protections and minimum standard.

Many of those campaigning to leave have called for worker's rights to be scrapped, viewing them as unnecessary red tape. Workers are better off in, and this is why over ten trade unions, including the TUC, Unite and Unison, have backed remain.

Leave:

The Working Time Directive (Directive 2003/88/EC, [link](#)) has given the European Court control over doctors' working hours. 71% of doctors think the Directive has had a negative impact on the continuity of patient care and has harmed medical training. 93% of surgeons did not agree with the statement that the implementation of the European Working Time Directive has benefited the NHS. An overwhelming majority of medical graduates (58% to 17%) say the Directive has not benefited the NHS. (Journal of the Royal Society of Medicine, 1 March 2016, [link](#)). The European Court will remain in control of doctors' working hours in the event of a vote to remain.

After we Vote Leave, it would be for the UK Parliament to legislate in this field, protecting workers' rights to not be overworked in a manner which is proportionate, ensuring that this does not have the harmful effect it currently does in undermining people's health. It would be for elected politicians and UK voters, or our own domestic courts, to decide these rules rather than unelected bureaucrats in Brussels and foreign judges in the European Court.

Healthcare

13. *If we stay within the EU will the NHS be at risk from harmonising healthcare across the EU to the detriment of the UK healthcare system? Will we lose control over how the NHS funds are used?*

Remain:

Nobody is telling us how to run our NHS – this is a matter entirely for the UK Government and our Parliament to decide. Treasury analysis shows that the economic damage from leaving would leave our tax receipts facing an annual £36 billion black hole. That's the equivalent of NHS England losing over a third of its budget. Hospitals, ambulance services, and health professionals are all at risk if we leave Europe.

Over 100,000 EU nationals work in the health and social care sector. If we left Europe, our ability to staff the NHS would be put at risk, causing waiting times to go up and the quality of care to go down.

The people campaigning to leave the EU, including Nigel Farage and Vote Leave Director Matthew Elliot, have for years campaigned to privatise the NHS. They can't be trusted with the NHS.

Just 1% of government spending goes to the EU, about £7 billion. If we left the EU, the Treasury estimates public spending would be hit by £36 billion. It's simply not true that leaving the EU would free up resources for the NHS. It won't. Leaving means less money for the NHS, not more.

Leave:

Some areas of healthcare are already being harmonised by the EU. The Clinical Trials Directive (Directive 2001/20/EC, [link](#)) was intended to harmonise regulation of clinical trials. Academic studies concluded within eighteen months that it 'resulted in a doubling of the cost of running non-commercial cancer clinical trials in the UK and a delay to the start of trials' and 'both increased the cost and caused delay to non-commercial cancer clinical trials run by major public sector Clinical Trials Units in the UK' (*European Journal of Cancer*, 2007, [link](#)).

The introduction of centralised Health Technology Assessments could put an end to the UK's Cancer Drugs Fund. The Transatlantic Trade and Investment Partnership currently being negotiated between the EU and USA also puts our NHS at risk of privatisation and losing control to American pharmaceuticals.

High Net-Worth Individuals

14. I run a business with offices in various European countries. How would Brexit affect my business in terms of taxation, cash movement and employment?

Remain:

Outside of the EU, EU countries would be free to discriminate against UK businesses, and could impose taxes or other burdens.

Without free movement of people, non-local staff could face work permits, visas or residency requirements to work in EU countries. Outside of the EU single market, the UK could not benefit from free movement of capital in the EU, which means it would be more difficult and costly to transfer capital between markets and invest in the EU.

Leave:

After we Vote Leave we would take back control of decisions in these areas, but there is no reason to fear uncertainty in the short term.

15. I am thinking of expanding my property portfolio, perhaps in France or Germany. How would Brexit affect my investment, in terms of exchange rates and tax?

Remain:

Outside of the EU, EU countries would be free to discriminate against UK investment, and could impose taxes or other burdens. Analysts at Goldman Sachs, Morgan Stanley, HSBC and others have shown that Sterling would fall by up to 20%, and UBS have even predicted that Sterling could reach parity with the Euro – making it more costly to buy in EU countries.

Leave:

There is no reason to anticipate a change in exchange rates after we Vote Leave. If we Vote Leave, it is unlikely that there will be any substantial effect on the currency. The UK will retain its powers over monetary policy, keep sterling, and take back control of the regulation of financial stability.

16. *My fund manager can currently access the European markets with ease. Would this become more difficult in event of Brexit, and would my fund manager's charges rise, or my return on investment fall?*

Remain:

Outside of the EU single market, the UK could not benefit from free movement of capital in the EU. It would also mean that the EU and the individual EU countries would be free to discriminate against foreign investors. For both of these reasons, it would be more difficult and costly to transfer capital between markets and invest in the EU.

Leave:

After we Vote Leave, we will continue to have access to European markets. London will remain Europe's premier financial centre outside the EU because of its existing infrastructure, common law legal system, extensive human capital, use of the English language and convenient time zone. It will be in the interests of EU negotiators for the UK to retain access, as key European firms would not wish their access to London's market to be restricted.

International

17. *What impact will the decision have on companies that export to the EU, and also on overseas companies who have invested in the UK in order to access the EU single market?*

Remain:

Currently, anyone in Britain can do business freely and seamlessly with 500 million customers in the EU single market. If we leave, there would be new barriers to trade, which would make it more difficult and more costly to do business.

If we leave the EU, our home market will shrink from 500 million to 65 million consumers and we won't have a say over the rules of doing business across Europe, leaving all the power in the hands of our European competitors. The uncertainty while any new deal is negotiated will hit our economy hard – costing jobs, driving up prices and making it harder to fund our public services.

The Organisation for Economic Cooperation and Development (OECD), International Monetary Fund (IMF), Price Waterhouse Coopers (PwC), Institute for Fiscal Studies (IFS), the Treasury and the London School of Economics (LSE) have all confirmed the UK would be worse off under Brexit – confirming the economic consensus that families' economic security is at risk if we leave.

Treasury analysis has shown that leaving the single market would leave the UK worse off by £4,300 for every household. Over 3 million jobs are linked to our trade with the European Union (*Source: HM Treasury*).

Leave:

There is a free trade zone from Iceland to Turkey and Britain will be part of it but we will escape the EU's and European Court's ultimate control. The UK will have access to the 'single market' after we Vote Leave. British businesses that want to sell to the EU will obey EU rules just as American, Swiss, or Chinese businesses do.

The idea that our trade will suffer because we stop imposing terrible rules such as the Clinical Trials Directive is silly. The idea that 'access to the single market' is a binary condition and one must accept all 'single market' rules is already nonsense. The Schengen system is part of the 'single market' and we are not part of it.

After we Vote Leave, we will begin to repeal damaging 'single market' regulations, and we will behave like the vast majority of countries around the world - trading with the EU but, crucially, not accepting the supremacy of EU law.

The Government has admitted that: 'Under the EU-Canada Agreement, the EU has recognised Canadian assessments' (HM Government, March 2016, [link](#)). Mutual recognition of standards will be part of the UK-EU trade agreement too.

After we Vote Leave, businesses that export will of course keep trading with the EU as they do today, and all the opportunities currently enjoyed in accessing its market will continue, but they will also have greater opportunity to export and trade internationally beyond the EU as well, through the striking of new free trade deals that have to date been frustrated through the EU.

18. At a time when relations between our two countries have never been better, what impact do you think Brexit will have on the relationship between Britain and Ireland?

Remain:

The Irish Taoiseach Enda Kenny and Ireland's foreign minister have both been clear in their warnings that Britain is stronger in the EU, and they have warned that Brexit would harm the peace process.

Trade and tourism between the UK and Ireland would be damaged by Brexit through the establishment of new trade barriers and the loss of freedom of movement.

Vote Leave have rejected Britain's participation EU free movement rules if we leave the EU. In practice, this means that ROI nationals would lose their automatic right to come and work in the UK, and vice-versa.

The new terms for employing EU citizens in Britain depend on what relationship we would have with the EU after we left. Vote Leave's Dominic Raab has said that UK nationals would need visas in order to travel and work in Europe, and Vote Leave's Lord Lawson has said that Brexit would mean controls at the Irish border, suggesting that free movement for Irish citizens would be curbed.

This means that employing EU citizens, including ROI nationals, would be significantly more difficult after Brexit, and is likely to involve restrictions and barriers in the form of permits, visas or other costs and bureaucracy.

Leave:

After we Vote Leave, the relationship between the UK and Ireland will be even stronger. The EU has already acknowledged the UK and Ireland have a special status. The UK and Ireland are permitted by the EU Treaties to retain the Common Travel Area, even though this discriminates against other EU citizens (Article 2 of Protocol 20 to the Treaties, [link](#)).

It is also consistent with EU law for the UK to pay higher welfare benefits to Irish citizens than it does to nationals of other EU member states (*Patmalniece v Secretary of State for Work and Pensions* [2011] UKSC 11, paras [54]-[60], [link](#)).

There is no prospect of customs controls being introduced between Northern Ireland and the Republic of Ireland if we Vote Leave. It isn't in the interests of Northern Ireland, the Republic, or the UK and it won't happen. The Common Travel Area and Irish citizens' right to live, work and vote in the UK will continue.

The passport-free Common Travel Area has existed since 1923 and will continue if we Vote Leave. The Common Travel Area has been enshrined in UK law since before we joined the EU (Immigration Act 1971, s. 1(3), [link](#)). This legislation predates the UK's entry into the EU. It does not depend on EU membership and would continue in force if we Vote Leave.

Legal

19. As we have had a history of input regarding European legislation, is it expected that the UK legal profession, if we exit the EU, continue to bear strong influence from Europe, particularly in the area of Human Rights and cross border matters?

Remain:

If we leave the EU, we would still be part of the European Convention on Human Rights (ECHR), which is not a part of the EU. This is a binding convention tied to the European Court of Human Rights in Strasbourg which the UK is signed up to, so this would remain, and would be a lasting European legal influence in the UK.

Leave:

While we remain in an unreformed EU, the UK lacks the power to 'break the formal link between British courts and the European Court of Human Rights', as was promised before the last election (Conservative Party Manifesto, 2015, [link](#)). Allowing the European Court to stay in charge of these matters will cause great uncertainty for business as it uses the Charter of Fundamental Rights to take more powers from the member states. After we Vote Leave, it would be for the UK Parliament and UK Supreme Court to decide the appropriate means and levels of UK Human Rights protections.

20. Being so closely tied to Europe, in or out, will our legal profession still have any influence on European issues, or can we return to a legal system not hampered and / or handcuffed by EU legislation?

Remain:

It is abundantly clear that the UK will lose influence if we leave the EU. Britain is a champion in many fields and across professions, and our knowledge and expertise influences others. We benefit from EU funding and EU schemes, which help us project and influence others.

If we leave the EU, not only will we lose our vital influence and say over decisions in the EU institutions, we will also lose access to countless research and cooperation programmes through which our world-leading experts currently help shape global thinking.

Leave:

Inside the EU, the UK will remain constantly outvoted by the Eurozone, with the result that damaging EU legislation will continue to be imposed on us. The UK has been outvoted every time it has voted against an EU measure - 72 times in total. 40 of these defeats have taken place since David Cameron became Prime Minister (Vote Leave, October 2015, [link](#)). The UK has no influence at present.

After we Vote Leave, we will be able to influence global standard-setting bodies more effectively and regain an influential voice on the world stage. Many EU rules are actually set at an international level. EU members have little influence on this because the Commission speaks for them in key international bodies.

The Commission often adds unnecessary bureaucracy to global rules for EU-based producers, and these EU rules are then extremely hard to change. After we Vote Leave, we would take back control of our seats in these organisations, and be better able to influence global and European policy.

21. Is it possible that Legal Aid funding could increase without the need to fund our commitment to the EU?

Remain:

Leaving the single market would mean an annual £36 billion black hole in the public finances, which would mean less money for our public services like Legal Aid funding.

Leave:

We send more than £350 million to the EU every week, and after we Vote Leave, we would take back control of this money and could ensure that it is spent on our priorities. It would be for the UK Parliament and UK voters to decide whether they would wish to increase funding for Legal Aid, but there would be financial resources available for this, that we would no longer need to send to the EU, should they choose.

22. What impact would it have on the Supreme Court?

Remain:

If we leave the EU, we would still be part of the European Convention on Human Rights (ECHR), which is not a part of the EU. This is a binding convention tied to the European Court of Human Rights in Strasbourg which the UK is signed up to, so UK courts would continue to be bound by this legal framework.

Leave:

The UK Supreme Court would become the UK's court of last resort. It would no longer be subject to the primacy of EU law, and need to follow the direction of the European Court.

23. What would be the cut off for cases going to the European Court of Justice?

Remain:

This would depend on the kind of future relationship Britain would have with the EU.

Leave:

After we Vote Leave, it would be for the UK and the EU to determine the cut off. After we Vote Leave, we would expect Parliament to legislate to amend or repeal the 1972 Act which gives the European Court control over our law. However, the referendum will have no legal consequences save for the certification of the result by the Chief Counting Officer (Political Parties, Elections and Referendums Act 2000, s. 128(6), [link](#)). After the UK voted to leave, it would therefore initially continue to be a member of all the EU institutions under the EU treaties with the voting rights of a full member.

Legislation and regulation

24. EU rules are implemented through UK legislation: EU directives merely shape the UK laws. Taking away the requirement to follow EU rules doesn't mean that UK legislation immediately changes, although it allows different changes in the future. Will the jelly change shape when you take the mould away?

Remain:

It is vital for us to ensure that a strong British voice continues to be heard in the EU's institutions to advance Britain's interests.

The UK Government is very influential in the EU, and we can use the EU to achieve things that would be more difficult on our own.

If we left the EU, Britain would no longer enjoy this vital influence, but we would still have to comply with EU regulations in order to trade with the single market. We would be rule takers, not rule-makers.

Leave:

The day after, nothing changes legally. There is no legal obligation on the British Government to take Britain out of the EU immediately. There will be three stages of creating a new UK-EU deal - informal negotiations, formal negotiations, and implementation including both a new Treaty and domestic legal changes. There is no need to rush. We must take our time and get it right.

25. Changes in tax rules, and uncertainty over tax rules, cause significant problems for SMEs. Does leaving the EU give SMEs more clarity over the future of UK tax, or less?

Remain:

We retain complete control of taxation, our currency, public spending, interest rates, crime and security policy, as well as public services such as healthcare, education and public transport.

The Prime Minister's EU deal protects us from further integration in Europe – known as 'ever closer union'. So the future of taxation in Britain is a matter for the British government and Parliament, and leaving the EU would not impact it.

Leave:

There will be more clarity. At the moment the future is very uncertain. The Five Presidents' report indicates that the EU intends to take further control over 'certain aspects of tax policy' including the 'corporate tax base', 'labour taxation' and as part of its 'Capital Markets Union' (European Commission, 2015, [link](#)).

26. What are the top 3 tax issues you would change if Brexit gave you the opportunity?
Or, conversely, what are the 3 biggest tax changes that would be forced on the UK?

Remain:

We are a political campaign making the positive case for Britain to remain in the EU.
Taxation in the UK is a matter for Government and Parliament.

Leave:

The Economics Commissioner, Pierre Moscovici, has called for further harmonisation of taxation, including scrapping the UK's zero rates, stating a 'zero rate is not the best idea' (*Guardian*, 28 January 2016, [link](#)). If the Commission's plans are successful, business taxes would rise by over £70 billion a year (HMRC, December 2015, [link](#)).

If the UK votes Remain, the European Court will remain in control of the taxes Parliament can charge and will continue to make massive awards against the taxpayer in favour of multinational businesses. It has determined that tax rules which discriminate against foreign companies establishing branches in the UK are in principle prohibited by EU law, and fall foul of the freedom of establishment, even if they are intended to reduce the risk of tax evasion. In 1986, the European Court said that 'the risk of tax avoidance cannot be relied upon in this context... [The] treaty does not permit any derogation from the fundamental principle of freedom of establishment on such a ground' (*Commission v France* [1986] ECR 273, para [25], [link](#)).

As things stand today, it is ultimately for the European Court, rather than the British Parliament, to judge whether measures designed to reduce tax avoidance are necessary and 'proportionate' (*Marks & Spencer Plc v Halsey* [2005] ECR I-10837, para [53], [link](#)). In 2014, for example, the European Court ruled that certain provisions of the Income and Corporation Taxes Act 1988 designed to restrict 'wholly artificial' arrangements and tax havens and which limited certain companies' ability to claim 'group consortium relief', could not be justified under EU law (*Felixstowe Dock and Railway Company Ltd v Commissioners for Her Majesty's Revenue & Customs*, Case C-80/12, [link](#)). This case alone allowed one company to offset £1 billion of losses against linked companies' tax bills (*Financial Times*, 1 April 2014, [link](#)).

27. *What impact does EU membership have on the convergence of tax rates and tax rules? We note that the Organisation for Economic Co-operation and Development (OECD) and G20 have a lot to say in this area, and convergence has an opposing force in tax competition. Is the EU more or less influential than, say, the OECD?*

Remain:

We retain complete control of taxation, our currency, public spending, interest rates, crime and security policy, as well as public services such as healthcare, education and public transport. The Prime Minister's EU deal protects us from further integration in Europe – known as 'ever closer union'.

We are also not part of the euro and cannot be forced into political, fiscal or monetary union with the Eurozone, so the taxation in Britain is a matter for the British government and Parliament, and leaving the EU would not impact it.

Leave:

The Five Presidents' Report sets out plans for a Eurozone fiscal and 'political union', including 'a euro area treasury', and 'further pooling of decision-making on national budgets', with proposals for a new Treaty in 2017 (European Commission, 2015, [link](#)). The UK will be affected by this process, since the Commission argues that '*much can be achieved already through a deepening of the Single Market*, which is important for all 28 EU Member States' [emphasis added]. This means that the proposals will affect all member states - not just those in the euro. The Juncker Commission is also planning an EU-wide corporation tax (European Commission, 2015, [link](#)).

28. *How would National Insurance work if we were not in the EU? If I work in France before and after Brexit, what effect is there on my UK state pension?*

Remain:

British citizens travelling to other European countries have the right to access free or cheaper public healthcare through the European Health Insurance Card (EHIC), covered by the NHS.

The EHIC is recognised across EU member states, and outside of the EU we could lose access to this vital scheme.

Britons living abroad can also access national health systems on equal terms as home nationals.

Outside of the EU, EU countries would be free to discriminate against UK citizens accessing their health system.

Being in the EU guarantees you that your years spent working and contributing in another EU country will count towards a combined pension entitlement, and that when you work in another EU country you can be insured against risks such as unemployment, or the extra costs of raising a family through that country's social security system. These arrangements would be at risk if we leave the EU.

Leave:

As the Government acknowledges: 'You can claim State Pension abroad if you've paid enough UK National Insurance contributions to qualify' (HM Government, 21 January 2016, [link](#)).

29. What, in practical terms, would change about SME VAT if the UK were to leave the EU? Would there be any effect on the amounts due, or the paper processes? Either in the short term, or in a longer timescale.

Remain:

Independent experts at the LSE have pointed out that if Britain left the EU, it would lose access to the coordinated VAT collection of the EU. So a 20% VAT would need to be paid at the UK border, and the importer would no longer have the convenience of combining this with domestic VAT payments.

Leave:

This would be for UK Parliaments to determine in future. After we Vote Leave, it would not be necessary to introduce change in this area, and there is no reason to fear uncertainty in the short term.

Quality

30. Quality assurance is a way of preventing mistakes or defects in manufactured products and avoiding problems when delivering solutions or services to customers. Does the prospect of remaining in the EU and the distraction of compliance with ever-increasing byzantine rules and regulations mean that customer focus and the ability of SMEs to be agile, responsive and flexible, will continue to be eroded?

Remain:

Leaving the EU will not reduce red tape for small businesses. The single market is Britain's home market, and our businesses need unfettered access to its 500 million consumers. As part of this access, the UK accepts a set of rules and regulations that provide a level playing field for businesses across Europe.

These regulations are necessary for the functioning of the single market, and the EU Commission is currently taking action to streamline the rules.

If Britain wants to trade with the single market on the terms we currently have, we need to accept the rules.

It is vital for us to ensure that a strong British voice continues to be heard in the EU's institutions to advance the interest of small businesses. The UK Government is very influential in the EU, and its positions on red tape and business regulation are informed by the views of small businesses. There are also small business membership organisations at EU-level, where small businesses can engage to ensure their voice is heard by EU policymakers.

If we left the EU, Britain would no longer enjoy this vital influence, but we would still have to comply with EU regulations in order to trade with the single market. We would be rule takers, not rule-makers.

Leave:

EU membership obliges UK businesses, regardless of whether they export to the EU, to follow whatever absurd rules that add to cost in the name of consumer rights. If we take back control, the Government can pass consumer protection legislation that is itself fit for purpose, and stop bizarre or wasteful EU rules while also ensuring UK consumers have access to a greater diversity of international products available to buy at cheaper prices.

Where rules help protect UK consumers, or give UK consumers rights that are reasonably useful and realistically providable by producers and retailers, we expect the Government to retain those rules. We could either choose not to repeal them after we leave, or legislate for them in a new UK Act. On the other hand, bizarre, absurd, wasteful and unreasonable rules could be repealed by the UK Government. If the Government tries to restrict consumer rights in a way that consumers disagree with, or fail to act where a dangerous product emerges, we could vote them out of office.

Sports

31. Currently, footballers from across Europe can live and work in the UK without procuring a visa. If Britain were to leave the EU, would it be more difficult for foreign players to sign for our clubs, and could that affect the £3.4 billion the Premier League alone adds to the UK economy?

Remain:

The EU benefits sports fans in Britain by eliminating barriers and making it cheaper to travel to sporting events across Europe. Sports clubs in the UK are able to recruit the best talent from across Europe with no barriers thanks to free movement rules.

It has recently been shown that Premier League clubs could struggle to maintain certain EU players if we left the EU, a risk that was underlined by Arsene Wenger. This is likely to impact the competitiveness of UK clubs.

The EU's Erasmus programme provides funding for projects to get young people into sport, and supports the inclusion of minorities and people with disabilities through participation in sport. Access to Erasmus could end if we left the EU.

Britain can draw on best practice from across Europe through cooperation in EU sports bodies. EU sports bodies exist to tackle match-fixing, promote transparency and fair regulation, take action against doping and develop rules for the transfer of sports players that preserve integrity and prevent exploitation.

Leave:

The Premier League has more foreign players than competing leagues. EU free movement rules have damaged British football. As the FA has acknowledged, the recent restrictions that have been introduced on skilled immigration from non-EU countries are the direct consequence of the EU's freedom of movement rules (FA, May 2014, [link](#)). After we Vote Leave, it would be *easier* for foreign players to sign for our clubs.

These answers have been provided by Britain Stronger in Europe and Vote Leave, and do not reflect the views of the UK200Group, which is committed to remaining impartial in the EU referendum debate.