



European Council

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COVER NOTE

From: General Secretariat of the Council
To: Delegations

Subject: European Council meeting (18 and 19 February 2016)
– Conclusions

Delegations will find attached the conclusions adopted by the European Council at the above meeting.

I. THE UNITED KINGDOM AND THE EUROPEAN UNION

1. At their December meeting, the members of the European Council agreed to work together closely to find mutually satisfactory solutions in all the four areas mentioned in the British Prime Minister's letter of 10 November 2015.
2. Today, the European Council agreed that the following set of arrangements, which are fully compatible with the Treaties and will become effective on the date the Government of the United Kingdom informs the Secretary-General of the Council that the United Kingdom has decided to remain a member of the European Union, constitute an appropriate response to the concerns of the United Kingdom:
 - a) a Decision of the Heads of State or Government, meeting within the European Council, concerning a new settlement for the United Kingdom within the European Union (Annex 1);
 - b) a Statement containing a draft Council Decision on specific provisions relating to the effective management of the banking union and of the consequences of further integration of the euro area which will be adopted on the day the Decision referred to in point (a) takes effect (Annex 2);

- c) a Declaration of the European Council on competitiveness (Annex 3);
 - d) a Declaration of the Commission on a subsidiarity implementation mechanism and a burden reduction implementation mechanism (Annex 4);
 - e) a Declaration of the European Commission on the indexation of child benefits exported to a Member State other than that where the worker resides (Annex 5);
 - f) a Declaration of the Commission on the safeguard mechanism referred to in paragraph 2(b) of Section D of the Decision of the Heads of State or Government (Annex 6);
 - g) a Declaration of the Commission on issues related to the abuse of the right of free movement of persons (Annex 7).
3. Regarding the Decision in Annex 1, the Heads of State or Government have declared that:
- (i) this Decision gives legal guarantee that the matters of concern to the United Kingdom as expressed in the letter of 10 November 2015 have been addressed;
 - (ii) the content of the Decision is fully compatible with the Treaties;
 - (iii) this Decision is legally binding, and may be amended or repealed only by common accord of the Heads of State or Government of the Member States of the European Union;
 - (iv) this Decision will take effect on the date the Government of the United Kingdom informs the Secretary-General of the Council that the United Kingdom has decided to remain a member of the European Union.
4. It is understood that, should the result of the referendum in the United Kingdom be for it to leave the European Union, the set of arrangements referred to in paragraph 2 above will cease to exist.

II. MIGRATION

5. In response to the migration crisis facing the EU, the objective must be to rapidly stem the flows, protect our external borders, reduce illegal migration and safeguard the integrity of the Schengen area. As part of this comprehensive approach, the European Council assessed, on the basis of detailed reports from the Presidency and the Commission, the state of implementation of the orientations agreed in December.
6. The European Council welcomes NATO's decision to assist in the conduct of reconnaissance, monitoring and surveillance of illegal crossings in the Aegean sea and calls on all members of NATO to support this measure actively. The EU, in particular FRONTEX, should closely cooperate with NATO.
7. The full and speedy implementation of the EU-Turkey Action Plan remains a priority, in order to stem migration flows and to tackle traffickers and smugglers networks. Steps have been taken by Turkey to implement the Action Plan, notably as regards access by Syrian refugees to Turkey's labour market and data sharing with the EU. However, the flows of migrants arriving in Greece from Turkey remain much too high. We need to see a substantial and sustainable reduction of the number of illegal entries from Turkey into the EU. This calls for further, decisive efforts also on the Turkish side to ensure effective implementation of the Action Plan. The European Council welcomes the agreement reached on the Facility for Refugees in Turkey and calls on the Commission and the Member States to implement swiftly the priority projects. It also welcomes the progress on preparing a credible voluntary humanitarian admission programme with Turkey.
8. In addition,
 - a) regarding relations with relevant third countries, the comprehensive and tailor-made packages of incentives that are currently being developed for specific countries to ensure effective returns and readmission require the full support of the EU and the Member States. The European Council also calls on the Commission, the High Representative and the Member States to monitor and address any factors that may prompt migration flows;

- b) implementation and operational follow-up to the Valletta Summit, in particular the agreed list of 16 priority actions, should continue and be stepped up;
- c) humanitarian assistance should continue to be provided to Syrian refugees and to the countries neighbouring Syria. This is an urgent global responsibility. In this context, the European Council welcomes the outcome of the Conference on supporting Syria and the Region in London on 4 February and calls on the Commission, Member States and all other contributing countries to rapidly implement their commitments;
- d) the continued and sustained irregular migrant flows along the Western Balkans route remain a grave concern that requires further concerted action and an end to the wave-through approach and to uncoordinated measures along the route, taking into account humanitarian consequences for Member States affected. It is also important to remain vigilant about potential developments regarding other routes so as to be able to take rapid and concerted action;
- e) the Council adopted a Recommendation on 12 February 2016. It is important to restore, in a concerted manner, the normal functioning of the Schengen area, with full support for Member States which face difficult circumstances. We need to get back to a situation where all Members of the Schengen area apply fully the Schengen Borders Code and refuse entry at external borders to third-country nationals who do not satisfy the entry conditions or who have not made an asylum application despite having had the opportunity to do so, while taking into account the specificities of maritime borders, including by implementing the EU-Turkey agenda;
- f) with the help of the EU, the setting up and functioning of hotspots is gradually improving as regards identification, registration, fingerprinting and security checks on persons and travel documents; however, much remains to be done, in particular to make hotspots fully functional, to ensure the full 100% identification and registration of all entries (including systematic security checks against European databases, in particular the Schengen Information System, as required under EU law), to fully implement the relocation process, to stem secondary flows of irregular migrants and asylum-seekers and to provide the significant reception facilities needed to accommodate migrants under humane conditions while their situation is being clarified. Asylum seekers do not have the right to choose the Member State in which they seek asylum;

- g) the humanitarian situation of migrants along the Western Balkans route calls for urgent action using all available EU and national means to alleviate it. To this end, the European Council considers it necessary to now put in place the capacity for the EU to provide humanitarian assistance internally, in cooperation with organisations such as the UNHCR, to support countries facing large numbers of refugees and migrants, building on the experience of the EU Humanitarian Aid and Civil Protection department. The European Council welcomes the Commission's intention to make concrete proposals as soon as possible;
 - h) all the elements agreed last December should be implemented rapidly, including the decisions on relocation and measures to ensure returns and readmissions. As far as the 'European Border and Coast Guard' proposal is concerned, work should be accelerated with a view to reaching a political agreement under the Netherlands Presidency and to make the new system operational as soon as possible;
 - i) the European Council invites the European Investment Bank to rapidly develop ideas, in cooperation with the Commission, on how it can contribute to the EU response.
9. The comprehensive strategy agreed in December will only bring results if all its elements are pursued jointly and if the institutions and the Member States act together and in full coordination. At the same time, progress must be made towards reforming the EU's existing framework so as to ensure a humane and efficient asylum policy. To this end, following today's in-depth discussion, preparations will be stepped up so as to allow for a comprehensive debate at the next European Council, where, on the basis of a more definitive assessment, further orientations have to be fixed and choices made.

III. EXTERNAL RELATIONS

Syria

10. Recalling UNSC Resolution 2254, the European Council welcomes the commitments made by the International Syria Support Group meeting in Munich on 11/12 February and calls on all parties to swiftly implement these commitments in full. A nationwide cessation of hostilities must urgently be implemented, applying to any party currently engaged in military or paramilitary hostilities, other than groups designated as terrorist organisations by the United Nations Security Council.

The European Council calls on the Syrian regime and its allies to stop at once attacking non-terrorist opposition groups, which threatens the prospects for peace, benefits Da'esh and drives the refugee crisis. The European Council is concerned by the risk of further military escalation and condemns the repeated bombing of civilian infrastructure and calls for an immediate cessation of bombardments in civilian areas, in particular in the corridor between Aleppo and the Turkish-Syrian border. The implementation should jointly be verified by the relevant parties. The European Council welcomes the start of delivery of humanitarian aid within one week to civilians in besieged areas and urges all sides to ensure that this continues and use this as a first step to full sustained and unimpeded humanitarian access throughout Syria, as agreed in Munich, including Aleppo, and in full compliance with international humanitarian law.

Libya

11. Stabilising Libya remains a high priority for regional and European security and for managing migration flows in the central Mediterranean. The European Council urges all parties to implement the Libyan Political Agreement, install a Government of National Accord, and focus efforts on restoring the economy and fighting terrorism. The EU, in cooperation with the UN, will support these efforts.

IV. EUROPEAN SEMESTER

12. The European Council endorsed the recommendation on the economic policy of the euro area.
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**DECISION OF THE HEADS OF STATE OR GOVERNMENT,
MEETING WITHIN THE EUROPEAN COUNCIL,
CONCERNING A NEW SETTLEMENT FOR THE UNITED KINGDOM
WITHIN THE EUROPEAN UNION**

The Heads of State or Government of the 28 Member States of the European Union, meeting within the European Council, whose Governments are signatories of the Treaties on which the Union is founded,

Desiring to settle, in conformity with the Treaties, certain issues raised by the United Kingdom in its letter of 10 November 2015,

Intending to clarify in this Decision certain questions of particular importance to the Member States so that such clarification will have to be taken into consideration as being an instrument for the interpretation of the Treaties; intending as well to agree arrangements for matters including the role of national Parliaments in the Union, as well as the effective management of the banking union and of the consequences of further integration of the euro area,

Recalling the Union's objective of establishing, in accordance with the Treaties, an economic and monetary union whose currency is the euro and the importance which a properly functioning euro area has for the European Union as a whole. While nineteen Member States have already adopted the single currency, other Member States are under a derogation which applies until the Council decides that the conditions are met for its abrogation and two Member States have, pursuant to Protocols No 15 and No 16 annexed to the Treaties, respectively no obligation to adopt the euro or an exemption from doing so. Accordingly, for as long as the said derogations are not abrogated or the said protocols have not ceased to apply following notification or request from the relevant Member State, not all Member States have the euro as their currency. Recalling that the process towards the establishment of the banking union and a more integrated governance of the euro area is open to Member States that do not have the euro as their currency,

Recalling that the Treaties, together with references to the process of European integration and to the process of creating an ever closer union among the peoples of Europe, contain also specific provisions whereby some Member States are entitled not to take part in or are exempted from the application of certain provisions or chapters of the Treaties and Union law as concerns matters such as the adoption of the euro, decisions having defence implications, the exercise of border controls on persons, as well as measures in the area of freedom, security and justice. Treaty provisions also allow for the non-participation of one or more Member States in actions intended to further the objectives of the Union, notably through the establishment of enhanced cooperations. Therefore, such processes make possible different paths of integration for different Member States, allowing those that want to deepen integration to move ahead, whilst respecting the rights of those which do not want to take such a course,

Recalling in particular that the United Kingdom is entitled under the Treaties:

- not to adopt the euro and therefore to keep the British pound sterling as its currency (Protocol No 15),
- not to participate in the Schengen acquis (Protocol No 19),
- to exercise border controls on persons, and therefore not to participate in the Schengen area as regards internal and external borders (Protocol No 20),
- to choose whether or not to participate in measures in the area of freedom, security and justice (Protocol No 21),
- to cease to apply as from 1 December 2014 a large majority of Union acts and provisions in the field of police cooperation and judicial cooperation in criminal matters adopted before the entry into force of the Lisbon Treaty while choosing to continue to participate in 35 of them (Article 10(4) and (5) of Protocol No 36),

Recalling also that the Charter of Fundamental Rights of the European Union has not extended the ability of the Court of Justice of the European Union or any court or tribunal of the United Kingdom to rule on the consistency of the laws and practices of the United Kingdom with the fundamental rights that it reaffirms (Protocol No 30),

Determined to exploit fully the potential of the internal market in all its dimensions, to reinforce the global attractiveness of the Union as a place of production and investment, and to promote international trade and market access through, inter alia, the negotiation and conclusion of trade agreements, in a spirit of mutual and reciprocal benefit and transparency,

Determined also to facilitate and support the proper functioning of the euro area and its long-term future, for the benefit of all Member States,

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Respecting the powers of the institutions of the Union, including throughout the legislative and budgetary procedures, and not affecting the relations of the Union institutions and bodies with the national competent authorities,

Respecting the powers of the central banks in the performance of their tasks, including the provision of central bank liquidity within their respective jurisdictions,

Having regard to the Statement containing the draft Decision of the Council on specific provisions relating to the effective management of the banking union and of the consequences of further integration of the euro area,

Having regard to the Conclusions of the European Council of 26 and 27 June 2014 and of 18 and 19 February 2016,

Noting the Declaration of the European Council on competitiveness,

Noting the Declaration of the Commission on a subsidiarity implementation mechanism and a burden reduction implementation mechanism,

Noting the Declaration of the Commission on the safeguard mechanism referred to in paragraph 2(b) of Section D of the Decision,

Noting the Declaration of the Commission on issues related to the abuse of the right of free movement of persons,

Having taken into account the views expressed by the President and members of the European Parliament,

Have agreed on the following Decision:

SECTION A
ECONOMIC GOVERNANCE

In order to fulfil the Treaties' objective to establish an economic and monetary union whose currency is the euro, further deepening is needed. Measures, the purpose of which is to further deepen economic and monetary union, will be voluntary for Member States whose currency is not the euro and will be open to their participation wherever feasible. This is without prejudice to the fact that Member States whose currency is not the euro, other than those without an obligation to adopt the euro or exempted from it, are committed under the Treaties to make progress towards fulfilling the conditions necessary for the adoption of the single currency.

It is acknowledged that Member States not participating in the further deepening of the economic and monetary union will not create obstacles to but facilitate such further deepening while this process will, conversely, respect the rights and competences of the non-participating Member States. The Union institutions, together with the Member States, will facilitate the coexistence between different perspectives within the single institutional framework ensuring consistency, the effective operability of Union mechanisms and the equality of Member States before the Treaties, as well as the level-playing field and the integrity of the internal market.

Mutual respect and sincere cooperation between Member States participating or not in the operation of the euro area will be ensured by the principles recalled in this Section, which are safeguarded notably through the Council Decision¹ referring to it.

¹ Council Decision on specific provisions relating to the effective management of the banking union and of the consequences of further integration of the euro area.

1. Discrimination between natural or legal persons based on the official currency of the Member State, or, as the case may be, the currency that has legal tender in the Member State, where they are established is prohibited. Any difference of treatment must be based on objective reasons.

Legal acts, including intergovernmental agreements between Member States, directly linked to the functioning of the euro area shall respect the internal market, as well as economic and social and territorial cohesion, and shall not constitute a barrier to or discrimination in trade between Member States. These acts shall respect the competences, rights and obligations of Member States whose currency is not the euro.

Member States whose currency is not the euro shall not impede the implementation of legal acts directly linked to the functioning of the euro area and shall refrain from measures which could jeopardise the attainment of the objectives of economic and monetary union.

2. Union law on the banking union conferring upon the European Central Bank, the Single Resolution Board or Union bodies exercising similar functions, authority over credit institutions is applicable only to credit institutions located in Member States whose currency is the euro or in Member States that have concluded with the European Central Bank a close cooperation agreement on prudential supervision, in accordance with relevant EU rules and subject to the requirements of group and consolidated supervision and resolution.

The single rulebook is to be applied by all credit institutions and other financial institutions in order to ensure the level-playing field within the internal market. Substantive Union law to be applied by the European Central Bank in the exercise of its functions of single supervisor, or by the Single Resolution Board or Union bodies exercising similar functions, including the single rulebook as regards prudential requirements for credit institutions or other legislative measures to be adopted for the purpose of safeguarding financial stability, may need to be conceived in a more uniform manner than corresponding rules to be applied by national authorities of Member States that do not take part in the banking union. To this end, specific provisions within the single rulebook and other relevant instruments may be necessary, while preserving the level-playing field and contributing to financial stability.

3. Emergency and crisis measures designed to safeguard the financial stability of the euro area will not entail budgetary responsibility for Member States whose currency is not the euro, or, as the case may be, for those not participating in the banking union.

Appropriate mechanisms to ensure full reimbursement will be established where the general budget of the Union supports costs, other than administrative costs, that derive from the emergency and crisis measures referred to in the first subparagraph.

4. The implementation of measures, including the supervision or resolution of financial institutions and markets, and macro-prudential responsibilities, to be taken in view of preserving the financial stability of Member States whose currency is not the euro is, subject to the requirements of group and consolidated supervision and resolution, a matter for their own authorities and own budgetary responsibility, unless such Member States wish to join common mechanisms open to their participation.

This is without prejudice to the development of the single rulebook and to Union mechanisms of macro-prudential oversight for the prevention and mitigation of systemic financial risks in the Union and to the existing powers of the Union to take action that is necessary to respond to threats to financial stability.

5. The informal meetings of the ministers of the Member States whose currency is the euro, as referred to in Protocol (No 14) on the Euro Group, shall respect the powers of the Council as an institution upon which the Treaties confer legislative functions and within which Member States coordinate their economic policies.

In accordance with the Treaties, all members of the Council participate in its deliberations, even where not all members have the right to vote. Informal discussions by a group of Member States shall respect the powers of the Council, as well as the prerogatives of the other EU institutions.

6. Where an issue relating to the application of this Section is to be discussed in the European Council as provided in paragraph 1 of Section E, due account will be taken of the possible urgency of the matter.

7. The substance of this Section will be incorporated into the Treaties at the time of their next revision in accordance with the relevant provisions of the Treaties and the respective constitutional requirements of the Member States.

SECTION B COMPETITIVENESS

The establishment of an internal market in which the free movement of goods, persons, services and capital is ensured is an essential objective of the Union. To secure this objective and to generate growth and jobs, the EU must enhance competitiveness, along the lines set out in the Declaration of the European Council on competitiveness.

To this end, the relevant EU institutions and the Member States will make all efforts to fully implement and strengthen the internal market, as well as to adapt it to keep pace with the changing environment. At the same time, the relevant EU institutions and the Member States will take concrete steps towards better regulation, which is a key driver to deliver the above-mentioned objectives. This means lowering administrative burdens and compliance costs on economic operators, especially small and medium enterprises, and repealing unnecessary legislation as foreseen in the Declaration of the Commission on a subsidiarity implementation mechanism and a burden reduction implementation mechanism, while continuing to ensure high standards of consumer, employee, health and environmental protection. The European Union will also pursue an active and ambitious trade policy.

Progress on all these elements of a coherent policy for competitiveness will be closely monitored and reviewed as appropriate.

SECTION C
SOVEREIGNTY

1. It is recognised that the United Kingdom, in the light of the specific situation it has under the Treaties, is not committed to further political integration into the European Union. The substance of this will be incorporated into the Treaties at the time of their next revision in accordance with the relevant provisions of the Treaties and the respective constitutional requirements of the Member States, so as to make it clear that the references to ever closer union do not apply to the United Kingdom.

The references in the Treaties and their preambles to the process of creating an ever closer union among the peoples of Europe do not offer a legal basis for extending the scope of any provision of the Treaties or of EU secondary legislation. They should not be used either to support an extensive interpretation of the competences of the Union or of the powers of its institutions as set out in the Treaties.

These references do not alter the limits of Union competence governed by the principle of conferral, or the use of Union competence governed by the principles of subsidiarity and proportionality. They do not require that further competences be conferred upon the European Union or that the European Union must exercise its existing competences, or that competences conferred on the Union could not be reduced and thereby returned to the Member States.

The competences conferred by the Member States on the Union can be modified, whether to increase or reduce them, only through a revision of the Treaties with the agreement of all Member States. The Treaties already contain specific provisions whereby some Member States are entitled not to take part in or are exempted from the application of certain provisions of Union law. The references to an ever closer union among the peoples are therefore compatible with different paths of integration being available for different Member States and do not compel all Member States to aim for a common destination.

The Treaties allow an evolution towards a deeper degree of integration among the Member States that share such a vision of their common future, without this applying to other Member States.

2. The purpose of the principle of subsidiarity is to ensure that decisions are taken as closely as possible to the citizen. The choice of the right level of action therefore depends, *inter alia*, on whether the issue under consideration has transnational aspects which cannot be satisfactorily regulated by action by Member States and on whether action at Union level would produce clear benefits by reason of its scale or effects compared with actions at the level of Member States.

Reasoned opinions issued by national Parliaments in accordance with Article 7(1) of Protocol No 2 on the application of the principles of subsidiarity and proportionality are to be duly taken into account by all institutions involved in the decision-making process of the Union. Appropriate arrangements will be made to ensure this.

3. Where reasoned opinions on the non-compliance of a draft Union legislative act with the principle of subsidiarity, sent within 12 weeks from the transmission of that draft, represent more than 55 % of the votes allocated to the national Parliaments, the Council Presidency will include the item on the agenda of the Council for a comprehensive discussion on these opinions and on the consequences to be drawn therefrom.

Following such discussion, and while respecting the procedural requirements of the Treaties, the representatives of the Member States acting in their capacity as members of the Council will discontinue the consideration of the draft legislative act in question unless the draft is amended to accommodate the concerns expressed in the reasoned opinions.

For the purposes of this paragraph, the votes allocated to the national Parliaments are calculated in accordance with Article 7(1) of Protocol No 2. Votes from national Parliaments of Member States not participating in the adoption of the legislative act in question are not counted.

4. The rights and obligations of Member States provided for under the Protocols annexed to the Treaties must be fully recognised and given no lesser status than the other provisions of the Treaties of which such Protocols form an integral part.

In particular, a measure adopted pursuant to Title V of Part Three of the Treaty on the Functioning of the European Union (TFEU) on the area of freedom, security and justice does not bind the Member States covered by Protocols No 21 and No 22, unless the Member State concerned, where the relevant Protocol so allows, has notified its wish to be bound by the measure.

The representatives of the Member States acting in their capacity as members of the Council will ensure that, where a Union measure, in the light of its aim and content, falls within the scope of Title V of Part Three of the TFEU, Protocols No 21 and No 22 will apply to it, including when this entails the splitting of the measure into two acts.

5. Article 4(2) of the Treaty on European Union confirms that national security remains the sole responsibility of each Member State. This does not constitute a derogation from Union law and should therefore not be interpreted restrictively. In exercising their powers, the Union institutions will fully respect the national security responsibility of the Member States.

The benefits of collective action on issues that affect the security of Member States are recognised.

SECTION D
SOCIAL BENEFITS AND FREE MOVEMENT

Free movement of workers within the Union is an integral part of the internal market which entails, among others, the right for workers of the Member States to accept offers of employment anywhere within the Union. Different levels of remuneration among the Member States make some offers of employment more attractive than others, with consequential movements that are a direct result of the freedom of the market. However, the social security systems of the Member States, which Union law coordinates but does not harmonise, are diversely structured and this may in itself attract workers to certain Member States. It is legitimate to take this situation into account and to provide, both at Union and at national level, and without creating unjustified direct or indirect discrimination, for measures limiting flows of workers of such a scale that they have negative effects both for the Member States of origin and for the Member States of destination.

The concerns expressed by the United Kingdom in this regard are duly noted, in view of further developments of Union legislation and of relevant national law.

Interpretation of current EU rules

1. The measures referred to in the introductory paragraph should take into account that Member States have the right to define the fundamental principles of their social security systems and enjoy a broad margin of discretion to define and implement their social and employment policy, including setting the conditions for access to welfare benefits.

(a) Whereas the free movement of workers under Article 45 TFEU entails the abolition of any discrimination based on nationality as regards employment, remuneration and other conditions of work and employment, this right may be subject to limitations on grounds of public policy, public security or public health. In addition, if overriding reasons of public interest make it necessary, free movement of workers may be restricted by measures proportionate to the legitimate aim pursued. Encouraging recruitment, reducing unemployment, protecting vulnerable workers and averting the risk of seriously undermining the sustainability of social security systems are reasons of public interest recognised in the jurisprudence of the Court of Justice of the European Union for this purpose, based on a case by case analysis.

Based on objective considerations independent of the nationality of the persons concerned and proportionate to the legitimate aim pursued, conditions may be imposed in relation to certain benefits to ensure that there is a real and effective degree of connection between the person concerned and the labour market of the host Member State.

(b) Free movement of EU citizens under Article 21 TFEU is to be exercised subject to the limitations and conditions laid down in the Treaties and the measures adopted to give them effect.

The right of economically non active persons to reside in the host Member State depends under EU law on such persons having sufficient resources for themselves and their family members not to become a burden on the social assistance system of the host Member State, and on those persons having comprehensive sickness insurance.

Member States have the possibility of refusing to grant social benefits to persons who exercise their right to freedom of movement solely in order to obtain Member States' social assistance although they do not have sufficient resources to claim a right of residence.

Member States may reject claims for social assistance by EU citizens from other Member States who do not enjoy a right of residence or are entitled to reside on their territory solely because of their job-search. This includes claims by EU citizens from other Member States for benefits whose predominant function is to cover the minimum subsistence costs, even if such benefits are also intended to facilitate access to the labour market of the host Member States.

(c) Those enjoying the right to free movement shall abide by the laws of the host Member State.

In accordance with Union law, Member States are able to take action to prevent abuse of rights or fraud, such as the presentation of forged documents, and address cases of contracting or maintaining marriages of convenience with third country nationals for the purpose of making use of free movement as a route for regularising unlawful stay in a Member State or address cases of making use of free movement as a route for bypassing national immigration rules applying to third country nationals.

Host Member States may also take the necessary restrictive measures to protect themselves against individuals whose personal conduct is likely to represent a genuine and serious threat to public policy or security. In determining whether the conduct of an individual poses a present threat to public policy or security, Member States may take into account past conduct of the individual concerned and the threat may not always need to be imminent. Even in the absence of a previous criminal conviction, Member States may act on preventative grounds, so long as they are specific to the individual concerned.

Further exchange of information and administrative cooperation between Member States will be developed together with the Commission in order to more effectively fight against such abuse of rights and fraud.

Changes to EU secondary legislation

2. It is noted that, following the taking effect of this Decision, the Commission will submit proposals for amending existing EU secondary legislation as follows:

- (a) a proposal to amend Regulation (EC) No 883/2004 of the European Parliament and of the Council² on the coordination of social security systems in order to give Member States, with regard to the exportation of child benefits to a Member State other than that where the worker resides, an option to index such benefits to the conditions of the Member State where the child resides. This should apply only to new claims made by EU workers in the host Member State. However, as from 1 January 2020, all Member States may extend indexation to existing claims to child benefits already exported by EU workers. The Commission does not intend to propose that the future system of optional indexation of child benefits be extended to other types of exportable benefits, such as old-age pensions;

² Regulation (EC) No 883/2004 of the European Parliament and of the Council of 29 April 2004 on the coordination of social security systems (OJ L 166, 30.4.2004, p. 1).

- (b) in order to take account of a pull factor arising from a Member State's in-work benefits regime, a proposal to amend Regulation (EU) No 492/2011 of the European Parliament and of the Council³ on freedom of movement for workers within the Union which will provide for an alert and safeguard mechanism that responds to situations of inflow of workers from other Member States of an exceptional magnitude over an extended period of time, including as a result of past policies following previous EU enlargements. A Member State wishing to avail itself of the mechanism would notify the Commission and the Council that such an exceptional situation exists on a scale that affects essential aspects of its social security system, including the primary purpose of its in-work benefits system, or which leads to difficulties which are serious and liable to persist in its employment market or are putting an excessive pressure on the proper functioning of its public services. On a proposal from the Commission after having examined the notification and the reasons stated therein, the Council could authorise the Member State concerned to restrict access to non-contributory in-work benefits to the extent necessary. The Council would authorise that Member State to limit the access of newly arriving EU workers to non-contributory in-work benefits for a total period of up to four years from the commencement of employment. The limitation should be graduated, from an initial complete exclusion but gradually increasing access to such benefits to take account of the growing connection of the worker with the labour market of the host Member State. The authorisation would have a limited duration and apply to EU workers newly arriving during a period of 7 years.

The representatives of the Member States, acting in their capacity as members of the Council, will proceed with work on these legislative proposals as a matter of priority and do all within their power to ensure their rapid adoption.

The future measures referred to in this paragraph should not result in EU workers enjoying less favourable treatment than third country nationals in a comparable situation.

³ Regulation (EU) No 492/2011 of the European Parliament and of the Council of 5 April 2011 on freedom of movement for workers within the Union (OJ L 141, 27.5.2011, p. 1).

Changes to EU primary law

3. With regard to future enlargements of the European Union, it is noted that appropriate transitional measures concerning free movement of persons will be provided for in the relevant Acts of Accession to be agreed by all Member States, in accordance with the Treaties. In this context, the position expressed by the United Kingdom in favour of such transitional measures is noted.

SECTION E
APPLICATION AND FINAL PROVISIONS

1. Any Member State may ask the President of the European Council that an issue relating to the application of this Decision be discussed in the European Council.

2. This Decision shall take effect on the same date as the Government of the United Kingdom informs the Secretary-General of the Council that the United Kingdom has decided to remain a member of the European Union.

**STATEMENT
ON SECTION A
OF THE DECISION OF THE HEADS OF STATE OR GOVERNMENT,
MEETING WITHIN THE EUROPEAN COUNCIL,
CONCERNING A NEW SETTLEMENT FOR THE UNITED KINGDOM
WITHIN THE EUROPEAN UNION**

The Heads of State or Government declare that the Council Decision on specific provisions relating to the effective management of the banking union and of the consequences of further integration of the euro area will be adopted by the Council on the date of the taking effect of the Decision of the Heads of State or Government, meeting within the European Council, concerning a new settlement for the United Kingdom within the European Union, and will enter into force on that same day.

The draft Decision is set out below:

Draft Council Decision
on specific provisions relating to the effective management of the banking union and of the
consequences of further integration of the euro area

THE COUNCIL OF THE EUROPEAN UNION,

Whereas:

(1) Supplementing Decision 2009/857/EC of 13 December 2007⁴, provisions should be adopted in order to allow for the effective management of the banking union and of the consequences of further integration of the euro area.

(2) The mechanism in this Decision contributes to the respect of the principles laid down in Section A of the Decision of the Heads of State or Government as regards legislative acts relating to the effective management of the banking union and of the consequences of further integration of the euro area, the adoption of which is subject to the vote of all members of the Council.

(3) In accordance with paragraph 1 of Section E of the Decision of the Heads of State or Government, meeting within the European Council, concerning a new settlement for the United Kingdom within the European Union⁵, any Member State may ask the President of the European Council that an issue relating to the application of that Decision be discussed in the European Council.

⁴ Council Decision 2009/857/EC of 13 December 2007 relating to the implementation of Article 16(4) of the Treaty on European Union and Article 238(2) of the Treaty on the Functioning of the European Union between 1 November 2014 and 31 March 2017 on the one hand, and as from 1 April 2017 on the other (OJ L 314, 1.12.2009, p. 73).

⁵ Decision of the Heads of State or Government, meeting within the European Council, concerning a new settlement for the United Kingdom within the European Union (OJ C ..., ...2016, p. ...).

(4) This Decision is without prejudice to the specific voting arrangements agreed by the representatives of the 28 Member States meeting within the Council on 18 December 2013⁶, concerning the adoption of Decisions by the Council on the basis of Article 18 of Regulation (EU) No 806/2014 of the European Parliament and of the Council⁷.

(5) In the application of this Decision, and in particular with reference to the reasonable time for the Council to discuss the issue concerned, due account should be taken of the possible urgency of the situation,

HAS ADOPTED THIS DECISION:

Article 1

1. If, in relation to the legislative acts to which Section A of the Decision of the Heads of State or Government applies, the adoption of which is subject to the vote of all members of the Council, at least one member of the Council that does not participate in the banking union indicates its reasoned opposition to the Council adopting such an act by qualified majority, the Council shall discuss the issue. The Member State concerned shall justify its opposition by indicating how the draft act does not respect the principles laid down in Section A of that Decision.

2. The Council shall, in the course of these discussions, do all in its power to reach, within a reasonable time and without prejudicing obligatory time limits laid down by Union law, a satisfactory solution to address concerns raised by the member or members of the Council referred to in paragraph 1.

⁶ Declaration of 18 December 2013 of the Representatives of the 28 Member States meeting within the Council, doc. No. 18137/13.

⁷ Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010 (OJ L 225, 30.7.2014, p. 1).

3. To that end, the President of the Council, with the assistance of the Commission and in compliance with the Rules of Procedure of the Council⁸, shall undertake any initiative necessary to facilitate a wider basis of agreement in the Council. The members of the Council shall lend him or her their assistance.

While taking due account of the possible urgency of the matter and based on the reasons for opposing as indicated under paragraph 1, a request for a discussion in the European Council on the issue, before it returns to the Council for decision, may constitute such an initiative. Any such referral is without prejudice to the normal operation of the legislative procedure of the Union and cannot result in a situation which would amount to allowing a Member State a veto.

Article 2

This Decision, which supplements Decision 2009/857/EC, shall enter into force on the date of the taking effect of the Decision of the Heads of State or Government, meeting within the European Council, concerning a new settlement for the United Kingdom within the European Union. It shall cease to apply if the latter ceases to apply.

Done at ..., [date]

For the Council

The President

[name]

⁸ Council Decision 2009/937/EU of 1 December 2009 adopting the Council's Rules of Procedure (OJ L 325, 11.12.2009, p. 35).

**EUROPEAN COUNCIL DECLARATION
ON COMPETITIVENESS**

Europe must become more competitive if we are to generate growth and jobs. Although this goal has been at the heart of EU activities in recent years, the European Council is convinced more can be done in order to exploit fully the potential of all strands of the internal market, promote a climate of entrepreneurship and job creation, invest and equip our economies for the future, facilitate international trade, and make the Union a more attractive partner.

The European Council highlights the enormous value of the internal market as an area without frontiers within which goods, persons, services and capital move unhindered. This constitutes one of the Union's greatest achievements. In these times of economic and social challenges, we need to breathe new life into the internal market and adapt it to keep pace with our changing environment. Europe must boost its international competitiveness across the board in services and products and in key areas such as energy and the digital single market.

The European Council urges all EU institutions and Member States to strive for better regulation and to repeal unnecessary legislation in order to enhance EU competitiveness while having due regard to the need to maintain high standards of consumer, employee, health and environmental protection. This is a key driver to deliver economic growth, foster competitiveness and job creation.

To contribute to this objective, the European Parliament, the Council and the Commission have agreed the Interinstitutional Agreement on Better Law Making. Effective cooperation in this framework is necessary in order to simplify Union legislation and to avoid overregulation and administrative burdens for citizens, administrations and businesses, including small and medium sized enterprises, while ensuring that the objectives of the legislation are met.

The focus must be on:

- a strong commitment to regulatory simplification and burden reduction, including through withdrawal or repeal of legislation where appropriate, and a better use of impact assessment and ex-post evaluation throughout the legislative cycle, at the EU and national levels. This work should build on the progress already made with the Regulatory Fitness Programme (REFIT);
- doing more to reduce the overall burden of EU regulation, especially on SMEs and micro-enterprises;
- establishing where feasible burden reduction targets in key sectors, with commitments by EU institutions and Member States.

The European Council welcomes the Commission's commitment to review every year the success of the Union's efforts to simplify legislation, avoid over-regulation and reduce burdens on business. This annual overview done in support of the Commission's REFIT program will include an Annual Burden Survey and also look at the stock of existing EU law.

The European Council also asks the Council to examine the annual reviews conducted by the Commission under its Declaration on Subsidiarity with a view to ensuring that these are given appropriate follow up in the different areas of the Union's activities. It invites the Commission to propose repealing measures that are inconsistent with the principle of subsidiarity or that impose a disproportionate regulatory burden.

The European Council stresses the importance of a strong, rules-based multilateral trading system and the need to conclude ambitious bilateral trade and investment agreements with third countries, in a spirit of reciprocity and mutual benefit. In this context it welcomes the recent agreement reached by the WTO in Nairobi. Work must be advanced in negotiations with the US, Japan and key partners in Latin America, notably Mercosur, and in the Asia-Pacific region. Trade must benefit all, consumers, workers and economic operators alike. The new trade strategy ("Trade for All: Towards a more responsible trade and investment policy") is a crucial component.

The European Council will keep developments under review and asks the General Affairs Council and the Competitiveness Council to regularly evaluate progress on the various elements set out in this Declaration.

DECLARATION OF THE EUROPEAN COMMISSION

**on a subsidiarity implementation mechanism
and a burden reduction implementation mechanism**

The Commission will establish a mechanism to review the body of existing EU legislation for its compliance with the principle of subsidiarity and proportionality, building on existing processes and with a view to ensuring the full implementation of this principle.

The Commission will draw up priorities for this review taking into account the views of the European Parliament, the Council and the national parliaments.

The Commission will propose a programme of work by the end of 2016 and subsequently report on an annual basis to the European Parliament and the Council.

The Commission is fully committed to and will continue its efforts to make EU law simpler and to reduce regulatory burden for EU business operators without compromising policy objectives by applying the 2015 Better Regulation Agenda, including in particular the Commission's Regulatory Fitness and Performance Programme (REFIT). Cutting red tape for entrepreneurship, in particular small and medium size enterprises, remains an overarching goal for all of us in delivering growth and jobs.

The Commission, within the REFIT platform, will work with Member States and stakeholders, towards establishing specific targets at EU and national levels for reducing burden on business, particularly in the most onerous areas for companies, in particular small and medium size enterprises. Once established, the Commission will monitor progress against these targets and report to the European Council annually.

DECLARATION OF THE EUROPEAN COMMISSION

**On the indexation of child benefits exported to a Member State
other than that where the worker resides**

The Commission will make a proposal to amend Regulation (EC) No 883/2004 of the European Parliament and of the Council⁹ on the coordination of social security systems in order to give Member States, with regard to the exportation of child benefits to a Member State other than that where the worker resides, an option to index such benefits to the conditions of the Member State where the child resides.

The Commission considers that these conditions include the standard of living and the level of child benefits applicable in that Member State.

⁹ Regulation (EC) No 883/2004 of the European Parliament and of the Council of 29 April 2004 on the coordination of social security systems (OJ L 166, 30.4.2004, p. 1).

DECLARATION OF THE EUROPEAN COMMISSION

on the Safeguard Mechanism

referred to in paragraph 2(b) of Section D

**of the Decision of the Heads of State or Government, meeting within the European Council,
concerning a new settlement for the United Kingdom within the European Union**

With reference to paragraph 2(b) of Section D of the Decision of the Heads of State or Government, meeting within the European Council, concerning a new settlement for the United Kingdom within the European Union, the European Commission will table a proposal to amend Regulation 492/2011 on freedom of movement for workers within the Union to provide for a safeguard mechanism with the understanding that it can and will be used and therefore will act as a solution to the United Kingdom's concerns about the exceptional inflow of workers from elsewhere in the European Union that it has seen over the last years.

The European Commission considers that the kind of information provided to it by the United Kingdom, in particular as it has not made full use of the transitional periods on free movement of workers which were provided for in recent Accession Acts, shows the type of exceptional situation that the proposed safeguard mechanism is intended to cover exists in the United Kingdom today. Accordingly, the United Kingdom would be justified in triggering the mechanism in the full expectation of obtaining approval.

DECLARATION OF THE EUROPEAN COMMISSION

on issues related to the abuse of the right of free movement of persons

The Commission notes the Decision of the Heads of State or Government, meeting within the European Council, concerning a new settlement for the United Kingdom within the European Union and notably its section D.

The Commission intends to adopt a proposal to complement Directive 2004/38 on free movement of Union citizens in order to exclude, from the scope of free movement rights, third country nationals who had no prior lawful residence in a Member State before marrying a Union citizen or who marry a Union citizen only after the Union citizen has established residence in the host Member State. Accordingly, in such cases, the host Member State's immigration law will apply to the third country national. This proposal will be submitted after the above Decision has taken effect.

As regards situations of abuse in the context of entry and residence of non-EU family members of mobile Union citizens the Commission will clarify that:

- Member States can address specific cases of abuse of free movement rights by Union citizens returning to their Member State of nationality with a non-EU family member where residence in the host Member State has not been sufficiently genuine to create or strengthen family life and had the purpose of evading the application of national immigration rules.
- The concept of marriage of convenience - which is not protected under Union law – also covers a marriage which is maintained for the purpose of enjoying a right of residence by a family member who is not a national of a Member State.

The Commission will also clarify that Member States may take into account past conduct of an individual in the determination of whether a Union citizen's conduct poses a "present" threat to public policy or security. They may act on grounds of public policy or public security even in the absence of a previous criminal conviction on preventative grounds but specific to the individual concerned. The Commission will also clarify the notions of "serious grounds of public policy or public security" and "imperative grounds of public security". Moreover, on the occasion of a future revision of Directive 2004/38 on free movement of Union citizens, the Commission will examine the thresholds to which these notions are connected.

These clarifications will be developed in a Communication providing guidelines on the application of Union law on the free movement of Union citizens.

Article 50 Treaty on European Union

1. Any Member State may decide to withdraw from the Union in accordance with its own constitutional requirements.
2. A Member State which decides to withdraw shall notify the European Council of its intention. In the light of the guidelines provided by the European Council, the Union shall negotiate and conclude an agreement with that State, setting out the arrangements for its withdrawal, taking account of the framework for its future relationship with the Union. That agreement shall be negotiated in accordance with Article 218(3) of the Treaty on the Functioning of the European Union. It shall be concluded by the Council, acting by a qualified majority, after obtaining the consent of the European Parliament.
3. The Treaties shall cease to apply to the State in question from the date of entry into force of the withdrawal agreement or, failing that, two years after the notification referred to in paragraph 2, unless the European Council, in agreement with the Member State concerned, unanimously decides to extend this period.
4. For the purposes of paragraphs 2 and 3, the member of the European Council or of the Council representing the withdrawing Member State shall not participate in the discussions of the European Council or Council or in decisions concerning it.
A qualified majority shall be defined in accordance with Article 238(3)(b) of the Treaty on the Functioning of the European Union.
5. If a State which has withdrawn from the Union asks to rejoin, its request shall be subject to the procedure referred to in Article 49.



European Council
The President

Brussels, 2 February 2016

To the Members of the European Council

Dear Colleagues,

Keeping the unity of the European Union is the biggest challenge for all of us and so it is the key objective of my mandate. It is in this spirit that I put forward a proposal for a new settlement of the United Kingdom within the EU. To my mind it goes really far in addressing all the concerns raised by Prime Minister Cameron. The line I did not cross, however, were the principles on which the European project is founded.

I deeply believe that our community of interests is much stronger than what divides us. To be, or not to be together, that is the question which must be answered not only by the British people in a referendum, but also by the other 27 members of the EU in the next two weeks.

This has been a difficult process and there are still challenging negotiations ahead. Nothing is agreed until everything is agreed. I am convinced that the proposal is a good basis for a compromise. It could not have been drafted without the close and good cooperation of the European Commission. In order to facilitate this process the Commission also made political declarations that are included in this package.

Let me briefly refer to all the four baskets of the proposal.

On **economic governance**, the draft Decision of the Heads sets out principles to ensure mutual respect between the Member States taking part in further deepening of the Economic and Monetary Union and those which do not. By doing that we can pave the way for the further integration within the euro area while safeguarding the rights and competences of non-participating Member States.

The respect for these principles is backed up by a draft Decision establishing a mechanism that while giving necessary reassurances on the concerns of non-euro area Member States, cannot constitute a veto nor delay urgent decisions. The exact conditions for triggering this mechanism remain to be further discussed.

On competitiveness, the draft Decision of the Heads, together with a more detailed European Council Declaration and a draft Commission Declaration, will set out our commitment to increase efforts to enhance competitiveness. We will regularly assess progress in simplifying legislation and reducing burden on business so that red tape is cut.

On sovereignty, the proposed Decision of the Heads recognises that in light of the United Kingdom's special situation under the Treaties, it is not committed to further political integration. It also reinforces respect for subsidiarity, and I propose that the Member States discontinue the consideration of a draft legislative act where a number of national parliaments object to it on the grounds of subsidiarity, unless the concerns raised can be accommodated. The importance of respecting the opt-out regime of Protocols 21 and 22, as well as national security responsibilities is also underlined.

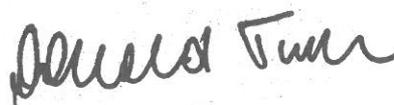
On social benefits and free movement, we need to fully respect the current treaties, in particular the principles of freedom of movement and non-discrimination. Therefore the proposed solution to address the UK concerns builds on the clarification of the interpretation of current rules, including a draft Commission Declaration on a number of issues relating to better fighting abuse of free movement.

The draft Decision of the Heads notes, in particular, the Commission's intention to propose changes to EU legislation as regards the export of child benefits and the creation of a safeguard mechanism to respond to exceptional situations of inflow of workers from other Member States. A draft Commission Declaration also relates to this mechanism. This approach, as well as the exact duration of the application of such a mechanism need to be further discussed at our level.

Most of the substance of this proposal takes the form of a legally binding Decision of the Heads of State or Governments. We should also be prepared to discuss the possible incorporation of the substance of a few elements covered by the Decision into the Treaties at the time of their next revision.

Our Sherpas and Permanent Representatives will meet on Friday this week to have the first discussion of the proposal. The clear objective is to have an agreement of all 28 at the February European Council. To succeed we will all need to compromise. To fail would be compromising our common future.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Donald Tusk". The signature is written in a cursive, slightly slanted style.

Donald Tusk



European Union Referendum Act 2015

CHAPTER 36

Explanatory Notes have been produced to assist in the understanding of this Act and are available separately

£11.00



European Union Referendum Act 2015

CHAPTER 36

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European Union Referendum Act 2015

2015 CHAPTER 36

An Act to make provision for the holding of a referendum in the United Kingdom and Gibraltar on whether the United Kingdom should remain a member of the European Union. [17th December 2015]

BE IT ENACTED by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

The referendum

1 The referendum

- (1) A referendum is to be held on whether the United Kingdom should remain a member of the European Union.
- (2) The Secretary of State must, by regulations, appoint the day on which the referendum is to be held.
- (3) The day appointed under subsection (2)—
 - (a) must be no later than 31 December 2017,
 - (b) must not be 5 May 2016, and
 - (c) must not be 4 May 2017.
- (4) The question that is to appear on the ballot papers is—

“Should the United Kingdom remain a member of the European Union or leave the European Union?”
- (5) The alternative answers to that question that are to appear on the ballot papers are—

*“Remain a member of the European Union
Leave the European Union”.*
- (6) In Wales, there must also appear on the ballot papers—

- (a) the following Welsh version of the question –
“*A ddylai'r Deyrnas Unedig aros yn aelod o'r Undeb Ewropeaidd neu adael yr Undeb Ewropeaidd?*”, and
- (b) the following Welsh versions of the alternative answers –
“*Aros yn aelod o'r Undeb Ewropeaidd*
Gadael yr Undeb Ewropeaidd”.

2 Entitlement to vote in the referendum

- (1) Those entitled to vote in the referendum are –
 - (a) the persons who, on the date of the referendum, would be entitled to vote as electors at a parliamentary election in any constituency,
 - (b) the persons who, on that date, are disqualified by reason of being peers from voting as electors at parliamentary elections but –
 - (i) would be entitled to vote as electors at a local government election in any electoral area in Great Britain,
 - (ii) would be entitled to vote as electors at a local election in any district electoral area in Northern Ireland, or
 - (iii) would be entitled to vote as electors at a European Parliamentary election in any electoral region by virtue of section 3 of the Representation of the People Act 1985 (peers resident outside the United Kingdom), and
 - (c) the persons who, on the date of the referendum –
 - (i) would be entitled to vote in Gibraltar as electors at a European Parliamentary election in the combined electoral region in which Gibraltar is comprised, and
 - (ii) fall within subsection (2).
- (2) A person falls within this subsection if the person is either –
 - (a) a Commonwealth citizen, or
 - (b) a citizen of the Republic of Ireland.
- (3) In subsection (1)(b)(i) “local government election” includes a municipal election in the City of London (that is, an election to the office of mayor, alderman, common councilman or sheriff and also the election of any officer elected by the mayor, aldermen and liverymen in common hall).

3 Further provision about the referendum

Part 7 of the 2000 Act (general provision about referendums) applies to the referendum but see also –

- (a) Schedules 1 and 2 (which make, in relation to the referendum, further provision about campaigning and financial controls, including provision modifying Part 7 of the 2000 Act), and
- (b) Schedule 3 (which makes further provision about the referendum, including provision modifying Part 7 of the 2000 Act).

4 Conduct regulations, etc

- (1) The Minister may by regulations –
 - (a) make provision about voting in the referendum and otherwise about the conduct of the referendum, which may include provision

- corresponding to any provision of Schedules 2 and 3 to the 2011 Act (with or without modifications);
- (b) apply for the purposes of the referendum, with or without modifications—
 - (i) any provision of the 1983 Act, or
 - (ii) any other enactment relating to elections or referendums, including provisions creating offences;
 - (c) further modify the 2000 Act for the purposes of the referendum;
 - (d) modify or exclude any provision of any other enactment (other than this Act) that applies to the referendum.
- (2) The Minister may by regulations make provision for and in connection with the combination of the poll for the referendum with any one or more of the following—
- (a) the poll for any election specified in the regulations;
 - (b) the poll for any other referendum specified in the regulations.
- Regulations under this subsection may amend or modify any enactment (but may not alter the date of the poll for any such election or other referendum).
- (3) The reference in subsection (2) to any enactment includes—
- (a) the definition of “counting officer” in section 11(1),
 - (b) section 11(2), and
 - (c) Schedule 3,
- but does not include any other provision of this Act.
- (4) The Minister may by regulations make such amendments or modifications of this Act or any other enactment as appear to the Minister to be necessary because the referendum is to be held in Gibraltar as well as the United Kingdom.
- (5) Regulations under this section may, in particular—
- (a) make provision for disregarding alterations in a register of electors;
 - (b) make provision extending or applying to (or extending or applying only to) Gibraltar or any part of the United Kingdom;
 - (c) make different provision for different purposes.
- (6) Before making any regulations under this section, the Minister must consult the Electoral Commission.
- (7) Consultation carried out before the commencement of this section is as effective for the purposes of subsection (6) as consultation carried out after that commencement.

5 Gibraltar

- (1) Regulations under section 4 which extend to Gibraltar may extend and apply to Gibraltar, with or without modifications, any enactment relating to referendums or elections that applies in any part of the United Kingdom.
- (2) The capacity (apart from this Act) of the Gibraltar legislature to make law for Gibraltar is not affected by the existence of—
 - (a) section 4, or
 - (b) anything in any other provision of this Act which enables particular provision to be made under section 4,

and in this Act “Gibraltar conduct law” means any provision of law made in and for Gibraltar which corresponds to any provision that has been or could be made for any part of the United Kingdom by regulations under section 4.

- (3) Subsection (2) does not affect the operation of the Colonial Laws Validity Act 1865 in relation to Gibraltar conduct law.

6 Duty to publish information on outcome of negotiations between member States

- (1) The Secretary of State must publish a report which contains (alone or with other material) –
 - (a) a statement setting out what has been agreed by member States following negotiations relating to the United Kingdom’s request for reforms to address concerns over its membership of the European Union, and
 - (b) the opinion of the Government of the United Kingdom on what has been agreed.
- (2) The report must be published before the beginning of the final 10 week period.
- (3) In this section “the final 10 week period” means the period of 10 weeks ending with the date of the referendum.
- (4) A copy of the report published under this section must be laid before Parliament by the Secretary of State.

7 Duty to publish information about membership of the European Union etc

- (1) The Secretary of State must publish a report which contains (alone or with other material) –
 - (a) information about rights, and obligations, that arise under European Union law as a result of the United Kingdom’s membership of the European Union, and
 - (b) examples of countries that do not have membership of the European Union but do have other arrangements with the European Union (describing, in the case of each country given as an example, those arrangements).
- (2) The report must be published before the beginning of the final 10 week period.
- (3) In this section “the final 10 week period” means the period of 10 weeks ending with the date of the referendum.
- (4) A copy of the report published under this section must be laid before Parliament by the Secretary of State.

8 Power to modify section 125 of the 2000 Act

- (1) In this section –
 - (a) “section 125” means section 125 of the 2000 Act (restriction on publication etc of promotional material by central and local government etc), as modified by paragraph 38 of Schedule 1, and
 - (b) “section 125(2)” means subsection (2) of section 125 (which prevents material to which section 125 applies from being published by or on

behalf of certain persons and bodies during the 28 days ending with the date of the poll).

- (2) The Minister may by regulations make provision modifying section 125, for the purposes of the referendum, so as to exclude from section 125(2) cases where—
 - (a) material is published—
 - (i) in a prescribed way, or
 - (ii) by a communication of a prescribed kind, and
 - (b) such other conditions as may be prescribed are met.
- (3) The communications that may be prescribed under subsection (2)(a)(ii) include, in particular, oral communications and communications with the media.
- (4) Before making any regulations under this section, the Minister must consult the Electoral Commission.
- (5) Consultation carried out before the commencement of this section is as effective for the purposes of subsection (4) as consultation carried out after that commencement.
- (6) Any regulations under subsection (2) must be made not less than 4 months before the date of the referendum.
- (7) In this section—

“prescribed” means prescribed by the regulations;

“publish” has the same meaning as in section 125.
- (8) This section does not affect the generality of section 4(1)(c).

Supplemental

9 Regulations

- (1) Any power under this Act to make regulations, apart from the power of the Electoral Commission under paragraph 16(10) of Schedule 3, is exercisable by statutory instrument.
- (2) Subject to subsection (3), a statutory instrument containing regulations under this Act may not be made unless a draft of the instrument has been laid before, and approved by a resolution of, each House of Parliament.
- (3) Subsection (2) does not apply to a statutory instrument containing only regulations within subsection (4).
- (4) Regulations within this subsection are any of the following—
 - (a) regulations under section 13;
 - (b) regulations made by the Minister under paragraph 16 of Schedule 3.
- (5) Regulations under this Act, other than regulations under section 13 or paragraph 16 of Schedule 3, may contain supplemental, consequential, incidental, transitional or saving provision.
- (6) Section 26 of the Welsh Language Act 1993 (power to prescribe Welsh forms) applies in relation to regulations under this Act as it applies in relation to Acts of Parliament.

10 Financial provisions

- (1) The following are to be paid out of money provided by Parliament –
 - (a) expenditure incurred under this Act by the Minister;
 - (b) any increase attributable to this Act in the sums payable under any other Act out of money so provided.
- (2) There is to be paid into the Consolidated Fund any increase attributable to this Act in the sums payable into that Fund under any other Act.

11 Definitions

- (1) In this Act –
 - “the 1983 Act” means the Representation of the People Act 1983;
 - “the 2000 Act” means the Political Parties, Elections and Referendums Act 2000;
 - “the 2011 Act” means the Parliamentary Voting System and Constituencies Act 2011;
 - “body”, without more, means a body corporate or any combination of persons or other unincorporated association;
 - “Chief Counting Officer” means the Chief Counting Officer for the referendum (see section 128(2) of the 2000 Act);
 - “conduct regulations” means regulations under section 4(1)(a);
 - “counting officer” has the meaning given by paragraph 3 of Schedule 3;
 - “designated organisation” means a person or body designated under section 108 of the 2000 Act (designation of organisations to whom assistance is available) in respect of the referendum;
 - “document” means a document in whatever form;
 - “enactment” includes –
 - (a) any provision of an Act,
 - (b) any provision of, or of any instrument made under, an Act of the Scottish Parliament,
 - (c) any provision of, or of any instrument made under, Northern Ireland legislation, and
 - (d) any provision of subordinate legislation (within the meaning of the Interpretation Act 1978);
 - “Gibraltar conduct law” has the meaning given by section 5(2);
 - “the Gibraltar standard scale” means the standard scale set out in Part A of Schedule 9 to the Criminal Procedure and Evidence Act;
 - “the Minister” means the Secretary of State or the Chancellor of the Duchy of Lancaster;
 - “permitted participant” means a person who, in relation to the referendum, is a permitted participant within the meaning given by section 105(1) of the 2000 Act (as modified by paragraph 2 of Schedule 1);
 - “the referendum” means the referendum under section 1;
 - “referendum expenses” has the meaning given by section 111 of the 2000 Act (see also paragraph 19 of Schedule 1);
 - “the referendum period” has the meaning given by paragraph 1 of Schedule 1;
 - “Regional Counting Officer” means an officer appointed under paragraph 5(1) of Schedule 3;

- “registered party” and “minor party” have the same meaning as in the 2000 Act (see section 160(1) of that Act);
- “registration officer” has the meaning given by section 8 of the 1983 Act;
- “responsible person”, in relation to a permitted participant, means the responsible person within the meaning given by section 105(2) of the 2000 Act (as modified by paragraph 5 of Schedule 1);
- “voting area” has the meaning given by subsection (2).
- (2) Each of the following, as it exists on the day of the referendum, is a “voting area” for the purposes of this Act—
- (a) a district in England for which there is a district council;
 - (b) a county in England in which there are no districts with councils;
 - (c) a London borough;
 - (d) the City of London (including the Inner and Middle Temples);
 - (e) the Isles of Scilly;
 - (f) a county or county borough in Wales;
 - (g) a local government area in Scotland;
 - (h) Northern Ireland;
 - (i) Gibraltar.
- (3) References in this Act to a named Act (with no date) are to the Gibraltar Act of that name.

Final provisions

12 Extent

- (1) This Act extends to the whole of the United Kingdom and to Gibraltar.
- (2) For the purposes of the referendum, Part 7 of the 2000 Act (whose extent is set out in section 163 of that Act) extends also to Gibraltar.

13 Commencement

- (1) The following provisions come into force on the day on which this Act is passed—
 - sections 9 to 12;
 - this section;
 - section 14.
- (2) The remaining provisions of this Act come into force on such day as the Minister may by regulations appoint.
- (3) Different days may be appointed for different purposes.

14 Short title

This Act may be cited as the European Union Referendum Act 2015.

EU speech at Bloomberg

From:

Cabinet Office, Prime Minister's Office, 10 Downing Street and The Rt Hon David Cameron
MP

Delivered on:

23 January 2013 (Original script, may differ from delivered version)

This morning I want to talk about the future of Europe.

But first, let us remember the past.

70 years ago, Europe was being torn apart by its second catastrophic conflict in a generation. A war which saw the streets of European cities strewn with rubble. The skies of London lit by flames night after night. And millions dead across the world in the battle for peace and liberty.

As we remember their sacrifice, so we should also remember how the shift in Europe from war to sustained peace came about. It did not happen like a change in the weather. It happened because of determined work over generations. A commitment to friendship and a resolve never to re-visit that dark past - a commitment epitomised by the Elysee Treaty signed 50 years ago this week.

After the Berlin Wall came down I visited that city and I will never forget it.

The abandoned checkpoints. The sense of excitement about the future. The knowledge that a great continent was coming together. Healing those wounds of our history is the central story of the European Union.

What [Churchill](#) described as the twin marauders of war and tyranny have been almost entirely banished from our continent. Today, hundreds of millions dwell in freedom, from the Baltic to the Adriatic, from the Western Approaches to the Aegean.

And while we must never take this for granted, the first purpose of the European Union - to secure peace - has been achieved and we should pay tribute to all those in the EU, alongside NATO, who made that happen.

But today the main, over-riding purpose of the European Union is different: not to win peace, but to secure prosperity.

The challenges come not from within this continent but outside it. From the surging economies in the East and South. Of course a growing world economy benefits us all, but we should be in no doubt that a new global race of nations is underway today.

A race for the wealth and jobs of the future.

The map of global influence is changing before our eyes. And these changes are already being felt by the entrepreneur in the Netherlands, the worker in Germany, the family in Britain.

Deliver prosperity, retain support

So I want to speak to you today with urgency and frankness about the European Union and how it must change - both to deliver prosperity and to retain the support of its peoples.

But first, I want to set out the spirit in which I approach these issues.

I know that the United Kingdom is sometimes seen as an argumentative and rather strong-minded member of the family of European nations.

And it's true that our geography has shaped our psychology.

We have the character of an island nation - independent, forthright, passionate in defence of our sovereignty.

We can no more change this British sensibility than we can drain the English Channel.

And because of this sensibility, we come to the European Union with a frame of mind that is more practical than emotional.

For us, the European Union is a means to an end - prosperity, stability, the anchor of freedom and democracy both within Europe and beyond her shores - not an end in itself.

We insistently ask: How? Why? To what end?

But all this doesn't make us somehow un-European.

The fact is that ours is not just an island story - it is also a continental story.

For all our connections to the rest of the world - of which we are rightly proud - we have always been a European power - and we always will be.

From Caesar's legions to the Napoleonic Wars. From the Reformation, the Enlightenment and the Industrial Revolution to the defeat of Nazism. We have helped to write European history, and Europe has helped write ours.

Over the years, Britain has made her own, unique contribution to Europe. We have provided a haven to those fleeing tyranny and persecution. And in Europe's darkest hour, we helped keep the flame of liberty alight. Across the continent, in silent cemeteries, lie the hundreds of thousands of British servicemen who gave their lives for Europe's freedom.

In more recent decades, we have played our part in tearing down the Iron Curtain and championing the entry into the EU of those countries that lost so many years to Communism. And contained in this history is the crucial point about Britain, our national character, our attitude to Europe.

Britain is characterised not just by its independence but, above all, by its openness.

We have always been a country that reaches out. That turns its face to the world...

That leads the charge in the fight for global trade and against protectionism.

This is Britain today, as it's always been: Independent, yes - but open, too.

I never want us to pull up the drawbridge and retreat from the world.

I am not a British isolationist.

I don't just want a better deal for Britain. I want a better deal for Europe too.

So I speak as British Prime Minister with a positive vision for the future of the European Union. A future in which Britain wants, and should want, to play a committed and active part.

Some might then ask: why raise fundamental questions about the future of Europe when Europe is already in the midst of a deep crisis?

Why raise questions about Britain's role when support in Britain is already so thin.

There are always voices saying "don't ask the difficult questions."

3 major challenges

But it's essential for Europe - and for Britain - that we do because there are 3 major challenges confronting us today.

First, the problems in the Eurozone are driving fundamental change in Europe.

Second, there is a crisis of European competitiveness, as other nations across the world soar ahead. And third, there is a gap between the EU and its citizens which has grown dramatically in recent years. And which represents a lack of democratic accountability and consent that is - yes - felt particularly acutely in Britain.

If we don't address these challenges, the danger is that Europe will fail and the British people will drift towards the exit.

I do not want that to happen. I want the European Union to be a success. And I want a relationship between Britain and the EU that keeps us in it.

That is why I am here today: To acknowledge the nature of the challenges we face. To set out how I believe the European Union should respond to them. And to explain what I want to achieve for Britain and its place within the European Union.

Let me start with the nature of the challenges we face.

First, the Eurozone.

The future shape of Europe is being forged. There are some serious questions that will define the future of the European Union - and the future of every country within it.

The Union is changing to help fix the currency - and that has profound implications for all of us, whether we are in the single currency or not.

Britain is not in the single currency, and we're not going to be. But we all need the Eurozone to have the right governance and structures to secure a successful currency for the long term.

And those of us outside the Eurozone also need certain safeguards to ensure, for example, that our access to the Single Market is not in any way compromised.

And it's right we begin to address these issues now.

Second, while there are some countries within the EU which are doing pretty well. Taken as a whole, Europe's share of world output is projected to fall by almost a third in the next 2 decades. This is the competitiveness challenge - and much of our weakness in meeting it is self-inflicted.

Complex rules restricting our labour markets are not some naturally occurring phenomenon. Just as excessive regulation is not some external plague that's been visited on our businesses.

These problems have been around too long. And the progress in dealing with them, far too slow.

As Chancellor Merkel has said - if Europe today accounts for just over 7 per cent of the world's population, produces around 25 per cent of global GDP and has to finance 50 per cent of global social spending, then it's obvious that it will have to work very hard to maintain its prosperity and way of life.

Third, there is a growing frustration that the EU is seen as something that is done to people rather than acting on their behalf. And this is being intensified by the very solutions required to resolve the economic problems.

People are increasingly frustrated that decisions taken further and further away from them mean their living standards are slashed through enforced austerity or their taxes are used to bail out governments on the other side of the continent.

We are starting to see this in the demonstrations on the streets of Athens, Madrid and Rome. We are seeing it in the parliaments of Berlin, Helsinki and the Hague.

And yes, of course, we are seeing this frustration with the EU very dramatically in Britain.

Europe's leaders have a duty to hear these concerns. Indeed, we have a duty to act on them. And not just to fix the problems in the Eurozone.

For just as in any emergency you should plan for the aftermath as well as dealing with the present crisis so too in the midst of the present challenges we should plan for the future, and what the world will look like when the difficulties in the Eurozone have been overcome.

The biggest danger to the European Union comes not from those who advocate change, but from those who denounce new thinking as heresy. In its long history Europe has experience of heretics who turned out to have a point.

And my point is this. More of the same will not secure a long-term future for the Eurozone. More of the same will not see the European Union keeping pace with the new powerhouse economies. More of the same will not bring the European Union any closer to its citizens. More of the same will just produce more of the same - less competitiveness, less growth, fewer jobs.

And that will make our countries weaker not stronger.

That is why we need fundamental, far-reaching change.

21st century European Union

So let me set out my vision for a new European Union, fit for the 21st Century.

It is built on 5 principles.

The first: competitiveness. At the core of the European Union must be, as it is now, the single market. Britain is at the heart of that Single Market, and must remain so.

But when the Single Market remains incomplete in services, energy and digital - the very sectors that are the engines of a modern economy - it is only half the success it could be.

It is nonsense that people shopping online in some parts of Europe are unable to access the best deals because of where they live. I want completing the single market to be our driving mission.

I want us to be at the forefront of transformative trade deals with the US, Japan and India as part of the drive towards global free trade. And I want us to be pushing to exempt Europe's smallest entrepreneurial companies from more EU Directives.

These should be the tasks that get European officials up in the morning - and keep them working late into the night. And so we urgently need to address the sclerotic, ineffective decision making that is holding us back.

That means creating a leaner, less bureaucratic Union, relentlessly focused on helping its member countries to compete.

In a global race, can we really justify the huge number of expensive peripheral European institutions?

Can we justify a Commission that gets ever larger?

Can we carry on with an organisation that has a multi-billion pound budget but not enough focus on controlling spending and shutting down programmes that haven't worked?

And I would ask: when the competitiveness of the Single Market is so important, why is there an environment council, a transport council, an education council but not a single market council?

The second principle should be flexibility.

We need a structure that can accommodate the diversity of its members - North, South, East, West, large, small, old and new. Some of whom are contemplating much closer economic and political integration. And many others, including Britain, who would never embrace that goal.

I accept, of course, that for the single market to function we need a common set of rules and a way of enforcing them. But we also need to be able to respond quickly to the latest developments and trends.

Competitiveness demands flexibility, choice and openness - or Europe will fetch up in a no-man's land between the rising economies of Asia and market-driven North America.

The EU must be able to act with the speed and flexibility of a network, not the cumbersome rigidity of a bloc.

We must not be weighed down by an insistence on a one size fits all approach which implies that all countries want the same level of integration. The fact is that they don't and we shouldn't assert that they do.

Some will claim that this offends a central tenet of the EU's founding philosophy. I say it merely reflects the reality of the European Union today. 17 members are part of the Eurozone. 10 are not.

26 European countries are members of Schengen - including 4 outside the European Union - Switzerland, Norway, Liechtenstein and Iceland. 2 EU countries - Britain and Ireland - have retained their border controls.

Some members, like Britain and France, are ready, willing and able to take action in Libya or Mali. Others are uncomfortable with the use of military force.

Let's welcome that diversity, instead of trying to snuff it out.

Let's stop all this talk of 2-speed Europe, of fast lanes and slow lanes, of countries missing trains and buses, and consign the whole weary caravan of metaphors to a permanent siding.

Instead, let's start from this proposition: we are a family of democratic nations, all members of 1 European Union, whose essential foundation is the single market rather than the single currency. Those of us outside the euro recognise that those in it are likely to need to make some big institutional changes.

By the same token, the members of the Eurozone should accept that we, and indeed all Member States, will have changes that we need to safeguard our interests and strengthen democratic legitimacy. And we should be able to make these changes too.

Some say this will unravel the principle of the EU - and that you can't pick and choose on the basis of what your nation needs.

But far from unravelling the EU, this will in fact bind its Members more closely because such flexible, willing cooperation is a much stronger glue than compulsion from the centre.

Let me make a further heretical proposition.

The European Treaty commits the Member States to "lay the foundations of an ever closer union among the peoples of Europe".

This has been consistently interpreted as applying not to the peoples but rather to the states and institutions compounded by a European Court of Justice that has consistently supported greater centralisation.

We understand and respect the right of others to maintain their commitment to this goal. But for Britain - and perhaps for others - it is not the objective.

And we would be much more comfortable if the Treaty specifically said so freeing those who want to go further, faster, to do so, without being held back by the others.

So to those who say we have no vision for Europe.

I say we have.

Flexible union

We believe in a flexible union of free member states who share treaties and institutions and pursue together the ideal of co-operation. To represent and promote the values of European civilisation in the world. To advance our shared interests by using our collective power to open markets. And to build a strong economic base across the whole of Europe.

And we believe in our nations working together to protect the security and diversity of our energy supplies. To tackle climate change and global poverty. To work together against terrorism and organised crime. And to continue to welcome new countries into the EU.

This vision of flexibility and co-operation is not the same as those who want to build an ever closer political union - but it is just as valid.

My third principle is that power must be able to flow back to Member States, not just away from them. This was promised by European Leaders at Laeken a decade ago.

It was put in the Treaty. But the promise has never really been fulfilled. We need to implement this principle properly.

So let us use this moment, as the Dutch Prime Minister has recently suggested, to examine thoroughly what the EU as a whole should do and should stop doing.

In Britain we have already launched our balance of competences review - to give us an informed and objective analysis of where the EU helps and where it hampers.

Let us not be misled by the fallacy that a deep and workable single market requires everything to be harmonised, to hanker after some unattainable and infinitely level playing field.

Countries are different. They make different choices. We cannot harmonise everything. For example, it is neither right nor necessary to claim that the integrity of the single market, or full membership of the European Union requires the working hours of British hospital doctors to be set in Brussels irrespective of the views of British parliamentarians and practitioners.

In the same way we need to examine whether the balance is right in so many areas where the European Union has legislated including on the environment, social affairs and crime.

Nothing should be off the table.

My fourth principle is democratic accountability: we need to have a bigger and more significant role for national parliaments.

There is not, in my view, a single European demos.

It is national parliaments, which are, and will remain, the true source of real democratic legitimacy and accountability in the EU.

It is to the Bundestag that Angela Merkel has to answer. It is through the Greek Parliament that Antonis Samaras has to pass his government's austerity measures.

It is to the British Parliament that I must account on the EU budget negotiations, or on the safeguarding of our place in the single market.

Those are the Parliaments which instil proper respect - even fear - into national leaders.

We need to recognise that in the way the EU does business.

My fifth principle is fairness: whatever new arrangements are enacted for the Eurozone, they must work fairly for those inside it and out.

That will be of particular importance to Britain. As I have said, we will not join the single currency. But there is no overwhelming economic reason why the single currency and the single market should share the same boundary, any more than the single market and Schengen.

Our participation in the single market, and our ability to help set its rules is the principal reason for our membership of the EU.

So it is a vital interest for us to protect the integrity and fairness of the single market for all its members.

And that is why Britain has been so concerned to promote and defend the single market as the Eurozone crisis rewrites the rules on fiscal coordination and banking union.

These 5 principles provide what, I believe, is the right approach for the European Union.

So now let me turn to what this means for Britain.

Today, public disillusionment with the EU is at an all time high. There are several reasons for this.

People feel that the EU is heading in a direction that they never signed up to. They resent the interference in our national life by what they see as unnecessary rules and regulation. And they wonder what the point of it all is.

Put simply, many ask "why can't we just have what we voted to join - a common market?"

They are angered by some legal judgements made in Europe that impact on life in Britain. Some of this antipathy about Europe in general really relates of course to the European Court of Human Rights, rather than the EU. And Britain is leading European efforts to address this.

There is, indeed, much more that needs to be done on this front. But people also feel that the EU is now heading for a level of political integration that is far outside Britain's comfort zone.

They see Treaty after Treaty changing the balance between Member States and the EU. And note they were never given a say.

They've had referendums promised - but not delivered. They see what has happened to the Euro. And they note that many of our political and business leaders urged Britain to join at the time.

And they haven't noticed many expressions of contrition.

And they look at the steps the Eurozone is taking and wonder what deeper integration for the Eurozone will mean for a country which is not going to join the Euro.

The result is that democratic consent for the EU in Britain is now wafer thin.

Some people say that to point this out is irresponsible, creates uncertainty for business and puts a question mark over Britain's place in the European Union.

But the question mark is already there and ignoring it won't make it go away.

In fact, quite the reverse. Those who refuse to contemplate consulting the British people, would in my view make more likely our eventual exit.

Simply asking the British people to carry on accepting a European settlement over which they have had little choice is a path to ensuring that when the question is finally put - and at some stage it will have to be - it is much more likely that the British people will reject the EU.

That is why I am in favour of a referendum. I believe in confronting this issue - shaping it, leading the debate. Not simply hoping a difficult situation will go away.

Some argue that the solution is therefore to hold a straight in-out referendum now.

I understand the impatience of wanting to make that choice immediately.

But I don't believe that to make a decision at this moment is the right way forward, either for Britain or for Europe as a whole.

A vote today between the status quo and leaving would be an entirely false choice.

Now - while the EU is in flux, and when we don't know what the future holds and what sort of EU will emerge from this crisis is not the right time to make such a momentous decision about the future of our country.

It is wrong to ask people whether to stay or go before we have had a chance to put the relationship right.

How can we sensibly answer the question 'in or out' without being able to answer the most basic question: 'what is it exactly that we are choosing to be in or out of?'

The European Union that emerges from the Eurozone crisis is going to be a very different body. It will be transformed perhaps beyond recognition by the measures needed to save the Eurozone.

We need to allow some time for that to happen - and help to shape the future of the European Union, so that when the choice comes it will be a real one.

Real choice

A real choice between leaving or being part of a new settlement in which Britain shapes and respects the rules of the single market but is protected by fair safeguards, and free of the spurious regulation which damages Europe's competitiveness.

A choice between leaving or being part of a new settlement in which Britain is at the forefront of collective action on issues like foreign policy and trade and where we leave the door firmly open to new members.

A new settlement subject to the democratic legitimacy and accountability of national parliaments where Member States combine in flexible cooperation, respecting national differences not always trying to eliminate them and in which we have proved that some powers can in fact be returned to Member States.

In other words, a settlement which would be entirely in keeping with the mission for an updated European Union I have described today. More flexible, more adaptable, more open - fit for the challenges of the modern age.

And to those who say a new settlement can't be negotiated, I would say listen to the views of other parties in other European countries arguing for powers to flow back to European states.

And look too at what we have achieved already. Ending Britain's obligation to bail-out Eurozone members. Keeping Britain out of the fiscal compact. Launching a process to return some existing justice and home affairs powers. Securing protections on Banking Union. And reforming fisheries policy.

So we are starting to shape the reforms we need now. Some will not require Treaty change.

But I agree too with what President Barroso and others have said. At some stage in the next few years the EU will need to agree on Treaty change to make the changes needed for the long term future of the Euro and to entrench the diverse, competitive, democratically accountable Europe that we seek.

I believe the best way to do this will be in a new Treaty so I add my voice to those who are already calling for this.

My strong preference is to enact these changes for the entire EU, not just for Britain.

But if there is no appetite for a new Treaty for us all then of course Britain should be ready to address the changes we need in a negotiation with our European partners.

[Political content removed]

It will be a relationship with the Single Market at its heart.

[Political content removed]

It is time for the British people to have their say. It is time to settle this European question in British politics.

I say to the British people: this will be your decision.

And when that choice comes, you will have an important choice to make about our country's destiny.

I understand the appeal of going it alone, of charting our own course. But it will be a decision we will have to take with cool heads. Proponents of both sides of the argument will need to avoid exaggerating their claims.

Of course Britain could make her own way in the world, outside the EU, if we chose to do so. So could any other Member State.

But the question we will have to ask ourselves is this: is that the very best future for our country?

We will have to weigh carefully where our true national interest lies.

Alone, we would be free to take our own decisions, just as we would be freed of our solemn obligation to defend our allies if we left NATO. But we don't leave NATO because it is in our national interest to stay and benefit from its collective defence guarantee.

We have more power and influence - whether implementing sanctions against Iran or Syria, or promoting democracy in Burma - if we can act together.

If we leave the EU, we cannot of course leave Europe. It will remain for many years our biggest market, and forever our geographical neighbourhood. We are tied by a complex web of legal commitments.

Hundreds of thousands of British people now take for granted their right to work, live or retire in any other EU country.

Even if we pulled out completely, decisions made in the EU would continue to have a profound effect on our country. But we would have lost all our remaining vetoes and our voice in those decisions.

We would need to weigh up very carefully the consequences of no longer being inside the EU and its single market, as a full member.

Continued access to the Single Market is vital for British businesses and British jobs.

Since 2004, Britain has been the destination for 1 in 5 of all inward investments into Europe.

And being part of the Single Market has been key to that success.

There will be plenty of time to test all the arguments thoroughly, in favour and against the arrangement we negotiate. But let me just deal with 1 point we hear a lot about.

There are some who suggest we could turn ourselves into Norway or Switzerland - with access to the single market but outside the EU. But would that really be in our best interests?

I admire those countries and they are friends of ours - but they are very different from us. Norway sits on the biggest energy reserves in Europe, and has a sovereign wealth fund of over 500 billion euros. And while Norway is part of the single market - and pays for the principle - it has no say at all in setting its rules: it just has to implement its directives.

The Swiss have to negotiate access to the Single Market sector by sector. Accepting EU rules - over which they have no say - or else not getting full access to the Single Market, including in key sectors like financial services.

The fact is that if you join an organisation like the European Union, there are rules.

You will not always get what you want. But that does not mean we should leave - not if the benefits of staying and working together are greater.

We would have to think carefully too about the impact on our influence at the top table of international affairs. There is no doubt that we are more powerful in Washington, in Beijing, in Delhi because we are a powerful player in the European Union.

That matters for British jobs and British security.

It matters to our ability to get things done in the world. It matters to the United States and other friends around the world, which is why many tell us very clearly that they want Britain to remain in the EU.

We should think very carefully before giving that position up.

If we left the European Union, it would be a 1-way ticket, not a return.

So we will have time for a proper, reasoned debate.

At the end of that debate you, the British people, will decide.

And I say to our European partners, frustrated as some of them no doubt are by Britain's attitude: work with us on this.

Consider the extraordinary steps which the Eurozone members are taking to keep the Euro together, steps which a year ago would have seemed impossible.

It does not seem to me that the steps which would be needed to make Britain - and others - more comfortable in their relationship in the European Union are inherently so outlandish or unreasonable.

And just as I believe that Britain should want to remain in the EU so the EU should want us to stay.

For an EU without Britain, without 1 of Europe's strongest powers, a country which in many ways invented the single market, and which brings real heft to Europe's influence on the world stage which plays by the rules and which is a force for liberal economic reform would be a very different kind of European Union.

And it is hard to argue that the EU would not be greatly diminished by Britain's departure.

Let me finish today by saying this.

I have no illusions about the scale of the task ahead.

I know there will be those who say the vision I have outlined will be impossible to achieve. That there is no way our partners will co-operate. That the British people have set themselves on a path to inevitable exit. And that if we aren't comfortable being in the EU after 40 years, we never will be.

But I refuse to take such a defeatist attitude - either for Britain or for Europe.

Because with courage and conviction I believe we can deliver a more flexible, adaptable and open European Union in which the interests and ambitions of all its members can be met.

With courage and conviction I believe we can achieve a new settlement in which Britain can be comfortable and all our countries can thrive.

[Political content removed]

Because I believe something very deeply. That Britain's national interest is best served in a flexible, adaptable and open European Union and that such a European Union is best with Britain in it.

Over the coming weeks, months and years, I will not rest until this debate is won. For the future of my country. For the success of the European Union. And for the prosperity of our peoples for generations to come.