

## BREXIT : WHAT CONSEQUENCES ?

The United Kingdom decided on June 23 to leave the European Union. What are the consequences for the British investing or living in France ?

The referendum is not binding. It's the British authorities to decide whether to follow "the choice of the people" by implementing Article 50 of the Lisbon Treaty which precises the exit procedure for a member country.

*"Any Member State may decide, in accordance with its constitutional requirements to withdraw from the European Union. "*

As long as no legal procedure is underway, there is no legal or regulatory consequence to the referendum.

Nevertheless, the concern generated by the uncertainty of this situation has led some market volatility and exchange rate and must be able to anticipate any concrete changes that will occur when the procedure of Article 50 will be launched.

Pour toutes questions :

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### The risk of a Financial Crisis

Financial markets dislike the doubt. The prevailing concern will probably lead to a period of high volatility and latent decline of stock markets.

It is likely that the pound fall suddenly or gradually.

This reduces the purchasing power of a person in England wishing to invest in France. However, this risk is to be distinguished because the buoyancy of currencies has always existed, with or without Brexit. Thus, in the recent years, a "strong" pound had created a momentary power for English making purchases in the euro area.



### The long-term consequences of the British leave from the European Union

After Article 50 of the Treaty is invoked and once all the conditions for the British exit have been negotiated and settled, the first direct and concrete consequences of Brexit will be felt.

Nothing will change in practice for several years.

## British and European rules

The British will no longer be able to invoke the right related to their quality of "European citizen" and the rules of the European Union for their benefit.

It is rare to have this need but the recent litigation concerning social contributions on unearned income shows the benefit of treating an EU citizen.

- A European citizen who paid payroll taxes on the sale of its building in 2015 can obtain a refund on the basis of application of European rules.
- A Russian citizen placed in the same situation should expect a long and uncertain procedure to obtain reimbursement.

## Visas

As the UK is part of the EU, the rules on the free circulation of persons remain unchanged. A simple identity document proving membership of a country in the European Union is enough to travel across the canal.

From the time the output of the European Union would be effective, if nothing is negotiated, a visa will be required to travel to France.

If the United Kingdom is to negotiate an agreement allowing it to remain in the single market, it is very likely that the free movement of persons will be acquired.

## Social security cover

The European Health Insurance Card makes it possible to certify the insurance rights of a person resident of a member state and benefit from support in France for medical care, according to the law and existing formalities.

This advantage will no longer exist and will have to be renegotiated between the UK and each country of the European Union.

Some countries that are not members of the European Union, such as Switzerland or Norway, benefit from such agreements.

## The right to vote

A citizen of the European Union resident in France can participate in municipal and European elections in the same conditions as French voter. To exercise this right to vote, he must be registered on the electoral lists and meet the conditions of age and legal capacity.

This right could be questioned after the implementation of the Brexit

## The employment / entrepreneurship in France

As a citizen of a Member State of the European Union, the English have the right to visit any EU country to work as an employee or as an independent, to seek for a job or take their retirement. They should be treated as French nationals. They have the right to apply for any vacancies in all countries of the European Union except some positions in the public service involving the exercise of public authority or whose purpose is to safeguard the general interests State (armed forces, police, judiciary, tax administration, diplomacy, etc.).

Moreover, there are many provisions to recognize the qualification for an occupation obtained in another country of the European Union.

Again, to this point, everything will depend on agreements negotiated between each country. Nevertheless, these rights are not guaranteed and will perhaps not be preserved.