
EU WANTS FORMULA FOR BREXIT BILL BUT NO 'BLANK CHEQUE' FROM UK

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The European Union does not want a blank cheque from Britain for leaving the EU, but hopes to agree by November on a formula to calculate what London owes when it leaves the bloc, chief EU negotiator Michel Barnier said on Wednesday.

The Commission has previously mentioned a ballpark figure of 60 billion euros (\$65.5 billion) that London would have to pay because of various commitments it made as an EU member.

But estimates vary depending on what would be included - the Brussels-based think tank Bruegel set a range of a net payment to the EU of between 25 billion and 65 billion euros.

Speaking at a news conference, Barnier declined to give an estimate. "There was never any question about asking the UK to give us a blank cheque; that would not be serious," he said.

"All we are asking for is for the accounts to be cleared, for the honoring of commitments into which the UK has entered ... But you cannot count on me to give you any figures because they are still evolving."

An agreement on this formula is one of the key conditions the EU has set for the start of discussions on a future trade relationship with London, Barnier said.

Britain is keen to begin discussing a trade deal as soon as possible because such negotiations can take years.

Another initial milestone that would have to be reached is agreement on the date by which EU citizens arriving in Britain would still enjoy all the rights now guaranteed under EU laws.

The EU wants this "cut-off date" to be the day of Britain's exit, March 29, 2019, while some in London would rather bring it forward.

The EU wants its citizens to have all the rights they enjoy now, including the right to permanent residency after five years, even if they arrive in Britain on the last day of its EU membership.

Britain's Brexit minister, David Davis, indicated on Wednesday his views were aligned with those of the EU on this issue.

"It is the intention that they will have a generous settlement, pretty much exactly what they enjoy now, and our British citizens abroad will do the same," Davis said in a BBC radio interview.

Barnier noted the sooner the initial budget and citizens' rights issues were settled, the sooner the EU could start discussing trade issues, which are crucial for Britain because nearly half of its exports go to the EU.

Officially, it is for Barnier to recommend when trade discussions can begin. "I hope it will be in the autumn, October or November, I don't know. I hope I will be able to say clearly and objectively that there is sufficient progress," he said.

He called for a quick start to the negotiations, saying time is "very short". The talks are on hold for now because of elections in Britain set for June 8.

<http://www.reuters.com/article/us-britain-eu-negotiations-idUSKBN17Z0YO>

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