



## The EU Referendum

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## 1 When will we find out the result?

### Background

- The UK will be split into 12 regions for the count: nine in England and Wales, Scotland and Northern Ireland consisting of 382 counting areas
- Like at a General Election, counting will begin as soon as polls close at 10pm. However, there will not be an exit poll.
- Declarations will be made for each of the 382 local counting areas and also for the twelve UK regions.
- A rolling total of the number of votes for each side will be provided by broadcasters.

### Timeline

- **12.30am** - Sunderland is expected to be amongst the first counting areas to report
- **2am** - The first significant wave of results will come in around this time when 22 counting areas are due to declare.
- **4am** - The likely result may start to become clear as some 88 counting areas are expected to report at around this time
- **5am** - 90% of counting areas will have declared.





- **7am** -The final local results are expected to be declared at around this time.
- Shortly after 7am – The official result will be declared at Manchester Town Hall.

A full list of when each of the 382 counting areas is expected to declare can be found in a House of Commons Library note [here](#).

## 2 What happens next?

- **Friday morning:** It is highly likely that, whatever the result, David Cameron will make a statement in Downing Street on Friday morning. If there was to be a leave vote, it is expected that this would be the moment that Cameron would announce his resignation.
- **Friday 8am:** The markets open at 8am and the reaction of both the FTSE and the value of the pound will be watched closely. Many analysts, the Governor of the Bank of England and even some Leave campaigners have stated that the markets will react negatively to a Leave vote.
- **Throughout Friday:** It is safe to assume that world leaders will make statements giving their verdict on the result.
- **The weekend:** If there is a Leave vote, it is likely that EU leaders will convene an emergency summit. Whilst it is highly difficult to predict, some (although not the official Remain or Leave campaigns) have speculated that other EU leaders could offer new concessions to the UK in the event of a Leave vote in a last ditch effort to prevent Brexit.



## 3 If we vote to leave...

### 3.1 Will Cameron and Osborne hold on?

It is thought by many that, even if Remain were to be announced as the winner at Manchester Town Hall on Thursday morning, a narrow margin of victory may see David Cameron and George Osborne struggling to hold onto their positions. In the event that Leave were to win, it is difficult to see how the Prime Minister and Chancellor would not only be able to command the support of their party, but also oversee the process for the United Kingdom's withdrawal from the European Union. Indeed, the





former Cabinet minister and prominent Tory remain supporter Ken Clarke has said that Cameron 'wouldn't last 30 seconds' as Tory leader following a Brexit vote.



It should be noted that Cameron has repeatedly stated that he will remain Prime Minister whatever Thursday's result. Additionally, over the weekend The Sun reported that senior leave campaigners, including Michael Gove and Boris Johnson have signed a letter stating that Cameron should remain Prime Minister no whatever the result. The letter is reported to have been signed by other pro Brexit Cabinet members and that it is now being circulated for signatures from other Tory MPs.

However, in practice it is highly unlikely that Cameron would be able to survive as Prime Minister if the general public was to go against his and the Government's position of remaining in the EU.

### 3.2 Will the Union survive?

Leader of the SNP and First Minister of Scotland, Nicola Sturgeon has warned that, if the UK in total votes to leave but a majority of Scots vote to remain, a second Scottish independence referendum may be triggered. Indeed, her predecessor Alex Salmond MP has gone even further, stating that a referendum would be held within three and a half years.



However, the likelihood of a second independence referendum being held shortly after Brexit remains low as opinion polls currently show a majority of Scots backing the Union. Additionally, it is rumoured that in private Sturgeon has said that she will only back a second referendum once 'Yes' has shown a consistent lead in opinion polls for at least a year and that the percentage in favour of voting for independence is consistently over 60%.

### 3.3 What is the process for Britain leaving the EU?

Although the Government is not legally bound to follow the outcome it is very unlikely that it will choose to ignore the outcome of the referendum (as stated within the [House of Commons Library note](#) on how the EU referendum is counted). The exact process that the Government will follow to withdraw is unclear. However, it is likely that the following steps will be followed:

- The Prime Minister would inform the European Council of the UK's intention to leave the European Union.



- This would then trigger **Article 50** of the EU Treaties – the formal legal mechanism by which a member state leaves the EU. Once Article 50 is triggered the Brexit process is irreversible and irrevocable.
- **Withdrawal negotiations** between the UK Government and the European Commission would then begin. These would be based on guidelines drawn up by the European Council without the UK's participation.
- Despite the ongoing withdrawal negotiations, the UK would continue to participate in the activities and institutions of the EU. The UK is due to hold the EU Presidency in 2017, and this could still take place.
- The negotiation process is set at two years, but this can be extended if there is unanimous support for this from all other Member States.
- Negotiations for the UK to re-join the European Free Trade Association and the European Economic Area could take place separately but alongside the withdrawal negotiations.

## 4 If we vote to remain...

### 4.1 The political fallout

Following the remarkably divisive nature of the referendum campaign and the relentless – and at times highly personal – attacks that senior Conservatives have been making on their colleagues, it has been suggested that if the Remain campaign fails to win by a substantial margin (perhaps at least 10%), Cameron's position as Prime Minister could be under threat.

With estimates that approximately half of Conservative MPs are backing Leave, the challenge David Cameron faces at keeping his party united is considerable. Indeed, opinion amongst the Parliamentary party is divided as to whether MPs will put their differences behind them come Friday morning, or call for the Prime Minister's head. This instability may certainly have ramifications as to whether the Government, which only has a small working majority, is able to carry out its manifesto commitments and govern effectively in the remainder of the Parliament.

### 4.2 The future of the European Union

Even if the UK chooses to remain in the EU, it is undeniable that the unexpectedly close nature of UK public opinion on the subject has sent shockwaves around Europe. Indeed, on 20<sup>th</sup> June, the President of the European Council Donald Tusk stated that "Whatever the vote is, we must take a long hard look on the future of the Union. (It) would be foolish to ignore such a warning signal".

Additionally, many countries are seeing Eurosceptic parties surge in popularity, with it looking increasingly possible that Leader of the Front Nationale, Marine Le Pen, will reach the final round of the upcoming French Presidential election.



It remains to be seen whether there will be an increasing public clamour for an in/out referendum in any other Member States.

### 4.3 How will the UK's relationship with the EU develop?

As a Member State that looked on track at various points of the campaign to be heading for the door, question marks will hang over whether the UK and the current Government can play a leading role in the EU. Indeed, Cameron is criticised by many for isolating the UK from the most powerful Member States, resulting in the UK becoming a more peripheral player in the EU. It is difficult to predict whether the UK will embrace European institutions more closely following a Remain vote, or continue to demand further concessions and an enhanced 'special status'.

However, with the United Kingdom neither signed up to Schengen nor the Euro, it is difficult to envisage a scenario where the UK will play as integral part in the EU as other Member States of a comparable size.

## 5 How will the tech sector be impacted by a Leave vote?

Although much of the regulation affecting the tech sector is at the EU level, it is unlikely that Brexit would cause a significant shift in the policy framework. It should be noted that the vast majority of the tech sector appears to back Remain, with a techUK survey revealing that 70% of its members plan to back continued membership of the EU, and a survey of Tech London Advocates showing that 87% of those polled oppose Brexit.

However, Brexit would result in a number of major consequences:

- **The Digital Single Market** – Although still in its early stages, the DSM will have a significant impact on the tech sector across the EU. Whether the UK could still benefit from the infrastructure and e-commerce related opportunities it presents is unclear. However, some would welcome the fact that the UK would not be affected by some of the more contentious proposals on geoblocking and portability of online content.
- **Roaming charges** – With the EU due to abolish roaming charges entirely by June 15 2017, and UK network operators currently bound by caps on charges, it has been speculated that Brexit would result in higher charges being reintroduced. However, it should be remembered that the lengthy withdrawal process means it is highly likely that the UK would still have to comply with the roaming charge abolition.
- **Data protection** – Following the recent adoption of the Data Protection Regulation, Brexit could have a significant impact on this area. If the UK is not recognised as a safe third country



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under the Regulation after a leave vote, data flows between the UK and EU could be compromised.

- **Ofcom** – The UK regulator would no longer be a member of the group for European telecoms regulators (BEREC). Brexit would also leave a number of issues which are currently being looked at by the EU exclusively in their hands, for example the regulation of 'over-the-top' services could be included in general telecoms regulation.
- **Uncertainty over future relationship with European Investment Fund** – There is a lack of clarity over the UK's future relationship with the EIF, a major investor in UK based VC funds.