

## Brexit: May gears up for third meaningful vote with threat of long delay

Parliament is likely to vote later on Thursday to extend the Article 50 process, although the Prime Minister is hoping that this will pressure her pro-Brexit opponents into backing her deal in a third meaningful vote next week. We doubt this will be successful, but it's still not clear that Parliament is ready to rally behind a different Brexit option



A downcast Theresa May in the UK's House of Commons on Tuesday

### MPs reject the 'unrejectable'

After another extraordinary evening in Westminster, markets took comfort in the fact that Parliament decisively rejected the notion of a 'no deal' Brexit.

It's worth noting of course that this hasn't technically changed anything - 'no deal' remains the legal default for 29 March unless a deal is approved, or Article 50 is extended/revoked. So in a sense, lawmakers have voted to reject the 'unrejectable', but investors are taking solace in Parliament's ability to wrestle control of the process.

This brings us neatly onto tonight's vote, where lawmakers will get a say on whether to extend the Article 50 negotiating period. The Prime Minister is offering MPs a motion that says if a deal is

agreed before next Wednesday, then a delay will last to 30 June. If a deal is not approved, the motion suggests the UK will be forced to apply for a longer extension and participate in European elections.

## Can the government really win over the DUP?

As most of the national newspapers are reporting this morning, this is a fairly clear signal that the Prime Minister will stage a third attempt at getting her deal approved next week ahead of the 21 March European Council meeting. It is also a thinly-veiled threat to her pro-Brexit opponents to rally behind her deal or risk a long delay to the Brexit process - which in theory could lead to a softer outcome or no EU exit at all.

So will these tactics work? Well, at first glance it seems like the Prime Minister has a mountain to climb. May lost the last meaningful vote on Tuesday by 149 votes, which while not quite as bad as the first vote back in January, is still one of the worst government defeats on record.

However, the government was reportedly in talks with the Democratic Unionist Party (DUP) on Wednesday to try to find a way to adjust the Attorney General's legal advice on the Irish backstop. The logic is that if the DUP can be brought on-side, then many Conservative MPs in the European Research Group will follow. If the margin can be reduced, then some commentators believe that 20-30 Labour MPs may be prepared to rally behind the deal too if they think the vote has a good chance of passing. These opposition lawmakers represent Leave-supporting areas, and are wary about the risk of a second referendum.

That said, it's hard to see what the Attorney General can offer. The EU had made it clear that the UK has eked out all the legal reassurances it's going to get. And don't forget that the legal advice on Tuesday came after several weeks of intense negotiations - on the face of it, it's hard to see what will change in just a matter of days from the last meaningful vote.

However, there is some focus this morning on whether the Vienna Convention could be included in the Attorney General's legal advice as a means of escaping the backstop in future. The theory goes that with a bit of notice, the UK could notify the EU of its intention to exit the Withdrawal Agreement (of which the backstop is a part), although there is some legal debate over whether that would actually be possible.

In the end, it will come down to politics, and it probably depends on how seriously the Brexiteers take the threat of a long Article 50 extension. The EU - which don't forget will need to unanimously approve an extension - has stated that a clear reason will be required if it is to accept a longer delay to the Brexit process.

## Indicative votes on the way?

On that note, we're likely to hear more about 'indicative votes' today. This is the idea that MPs could finally get a say on a range of Brexit alternatives - for example a second referendum and a permanent customs union. Some of the amendments that have been put forward to tonight's vote already seek to push these options, or failing that, set-up a series of indicative votes in the coming days.

The question is whether any option can command a majority. A 'People's vote' still seems to lack the required support, given that there probably aren't enough Conservative backers to offset the

20-30 Labour MPs who have indicated they will never vote for a second referendum. As we noted earlier in the week, we still suspect a softer Brexit outcome may eventually command a majority - but in the short-run, many Conservative MPs may be inclined to vote down such a proposal if it sounds too much like backing the Labour Party's preferred permanent customs union option.

The upshot is that May will likely have another attempt at getting her deal approved next week, although it's still hard to see it being successful. Equally, while we may get 'indicative votes' on different Brexit options, it's not certain that any particular alternative will gain majority support.

So while Parliament is likely to back an extension to Article 50, it may still lack the credible reason the EU has asked for in order to unlock a longer delay to the process. Nobody really knows for sure how long an extension might last, but this latter point suggests the wind is blowing more towards a shorter two to three month delay.

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