Brexit: Germany rules out informal negotiations

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The German Chancellor, Angela Merkel, has said there can be no talks on Brexit before the UK formally begins the process of leaving the EU.

While accepting the UK needed time, she added it should not be a "long time".

Mrs Merkel is due to meet the French president and Italian prime minister later in Berlin, with the speed of negotiations for the UK's exit high on the agenda.

The UK's chief finance minister issued a statement to try to calm markets.

UK shares have remained uneasy in the wake of the vote, although Chancellor George Osborne's statement appeared to have helped lessen further big falls in shares and the pound.

US Secretary of State John Kerry has said his country's "special relationship" with the UK will be maintained.

"The vote did not come out the way US President [Barack] Obama and I had expected but that's democracy," he told reporters in Brussels.

Last Thursday, the UK voted 52-48 in favour of leaving the EU.

What did Mrs Merkel say?

"The reality is that a majority of British citizens voted to leave... so I await a communication about Article 50 from the UK addressed to the EU," Mrs Merkel said.



Commuters headed back to work in the City of London on Monday as financial markets remained volatile / AFP

"I have the task to consider that message when it comes. We should not wait a long time. I do understand that the UK will consider things for a while.

"There cannot be any informal negotiations until we get that message [triggering Article 50] from the UK.

She added: "All 27 [remaining EU states] must work together to prevent any centrifugal forces."

"We can't have a permanent impasse," she was quoted as saying by Reuters news agency.

Once the UK invokes it, Article 50 of the Treaty of Lisbon sets out a two-year timetable to reach an exit deal. But UK PM David Cameron, who will step down by October, says he will leave the timing to his successor. He is due to make a special address to parliament later.

The Leave campaign says there is no need to rush the UK's exit.

France and Germany have insisted they are in "full agreement" on Brexit, although French Finance Minister Michel Sapin said on Monday this meant Britain should "go quickly".

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After disappearing from view since the referendum vote, the chancellor, who backed Remain, tried to reassure financial markets that the UK was in a strong position to tackle the inevitable volatility.

Despite suggesting before the vote that an emergency budget would be needed, he indicated that this would not now be an immediate priority, preferring to leave any adjustments to the economy to the new PM.

He did insist he had thoroughly prepared for the contingency of Brexit, along with the Bank of England, saying: "We are equipped for whatever happens".

He also appeared to rule out resigning in the near future.

And Boris Johnson?

The leading light of the Leave campaign used an article in the Daily Telegraph to try to soothe British fears.

"EU citizens living in this country will have their rights fully protected, and the same goes for British citizens living in the EU. British people will still be able to go and work in the EU; to live; to travel; to study; to buy homes and settle down," he said.



Boris Johnson was a key figure in the campaign for Brexit / Reuters

He also suggested the UK would still have access to the EU's single market, a remark quickly challenged by the German Business Institute and Merkel ally Michael Fuchs, MP.

Mr Fuchs said: "It will be possible, of course, but not for free - you have to see with Norway, with Switzerland, you have to pay a certain fee. And the per capita fee of Norway is exactly the same as what Britain is now paying into the EU. So there won't be any savings."

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What's the latest political fallout in the UK?

Labour faced more turmoil, with further resignations of shadow ministers on Monday. Twenty-three of the 31 members of the shadow cabinet have now gone.

Mr Corbyn has announced a new team but faces a possible no-confidence vote.

Nicola Sturgeon, the first minister of Scotland, which voted 62% for Remain, told the BBC the Scottish parliament could try to block the UK's exit from the EU.

She also confirmed a second Scottish independence referendum was back on the table.

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- Could Brexit lead to Grexit?

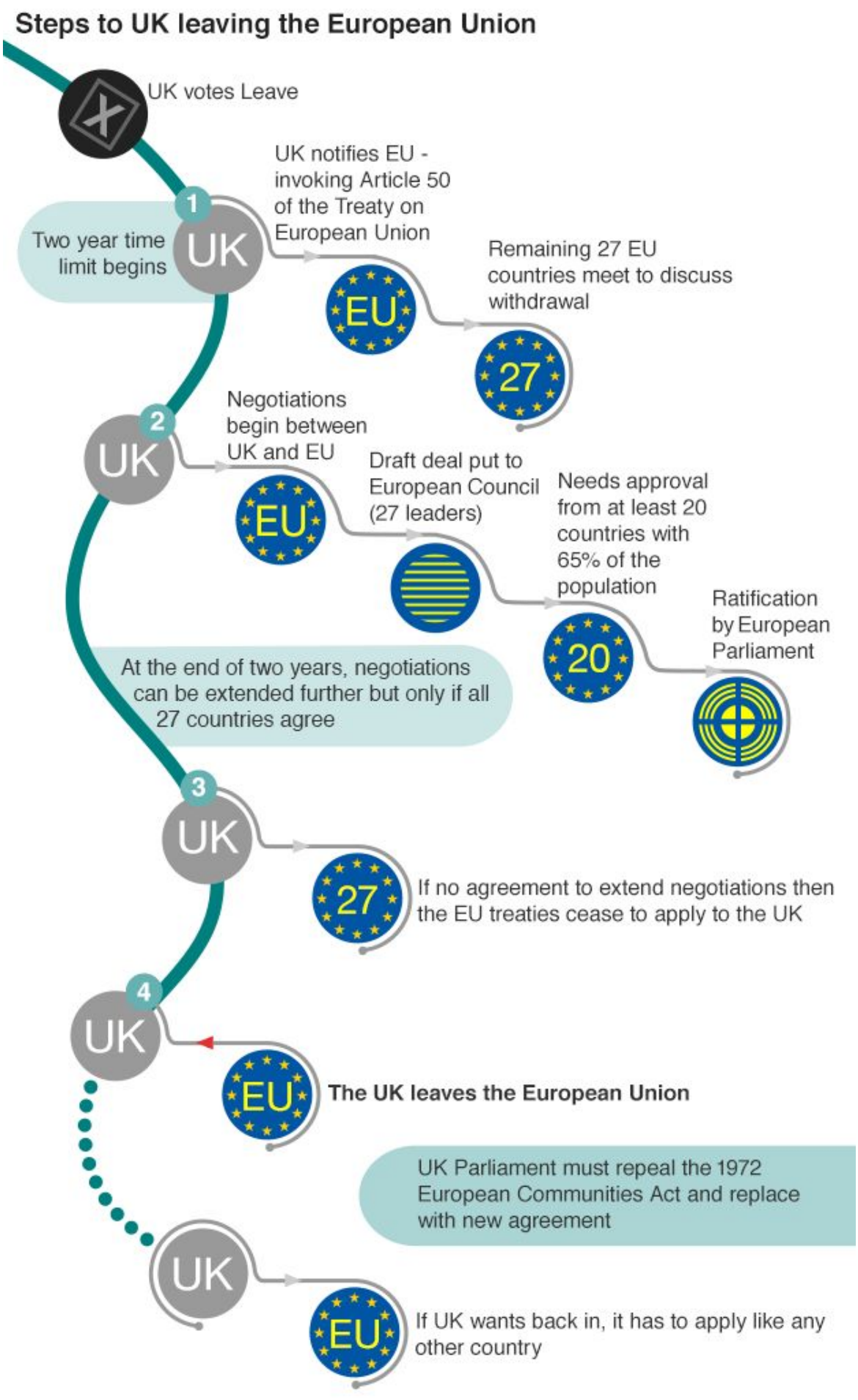
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Brexit: A busy week ahead

Monday: Angela Merkel holds crisis talks in Berlin, first with EU President Donald Tusk, then with Mr Hollande and Mr Renzi (statement to media expected at 18:30 local time, 16:30 GMT).

Tuesday: Extraordinary European Parliament session in Brussels on Brexit vote 10:00-12:00 (08:00-10:00 GMT), including speeches by Mr Tusk, European Commission President Jean-Claude Juncker and party leaders, probably including UKIP's Nigel Farage. There is also an EU summit (European Council) in Brussels, at which David Cameron will brief the other EU leaders over dinner, from 19:45 (17:45 GMT), explaining the political fallout in the UK

Wednesday: Second day of EU summit will feature breakfast talks between 27 leaders - Mr Cameron not attending. Talks focus on UK's "divorce process" as stipulated by Article 50, and Mr Tusk will "launch a wider reflection on the future of the EU"; press conferences in afternoon.


Steps to UK leaving the European Union
UK votes Leave
1
UK
Two year time limit begins
UK notifies EU - invoking Article 50 of the Treaty on European Union
EU
Remaining 27 EU countries meet to discuss withdrawal
27
2
UK
Negotiations begin between UK and EU
EU
Draft deal put to European Council (27 leaders)
Needs approval from at least 20 countries with 65% of the population
20
Ratification by European Parliament
At the end of two years, negotiations can be extended further but only if all 27 countries agree
3
UK
27
If no agreement to extend negotiations then the EU treaties cease to apply to the UK
4
UK
EU
The UK leaves the European Union
UK Parliament must repeal the 1972 European Communities Act and replace with new agreement
UK
EU
If UK wants back in, it has to apply like any other country
BBC