

U.K.

# U.K. Parliament Repudiates Theresa May's Brexit Plan

Opposition calls for vote of no confidence in prime minister as uncertainty deepens just two months before Britain's planned exit from EU

*By Max Colchester and Jason Douglas*

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LONDON—The British Parliament overwhelmingly rejected a proposed Brexit deal Tuesday, prompting a no-confidence vote against U.K. Prime Minister Theresa May and further stoking extreme uncertainty around Britain's exit from the European Union in just over two months.

British lawmakers repudiated the deal Mrs. May crafted with her EU counterparts by a vote of 432 to 202 after months of complaints that the agreement was unacceptable.

The defeat in the House of Commons by a margin of 230 votes—the largest suffered by a sitting government since at least the beginning of the 20th century—shows the depth of dissatisfaction over a deal that some lawmakers fear would leave the U.K. indefinitely locked in a customs agreement with the EU to avoid a hard border appearing on the island of Ireland.

Others believe the deal would harm Britain's economic future, either by keeping it too close to Europe or too isolated from it.

Mrs. May, who is expected to survive Wednesday's no-confidence vote, said she would seek to avoid leaving the EU without a deal, an outcome businesses and government officials say would cause widespread disruption to the economy.

“Every day that passes without this issue being resolved means more uncertainty, more bitterness and more rancor,” she said.

The leader of the main opposition Labour Party, Jeremy Corbyn, called Wednesday's no-confidence vote, which would likely lead to a general election were it to succeed. But although 118 of Mrs. May's own Conservative Party lawmakers voted against her deal, the rebels are likely to swing back behind her in the confidence vote.

The Democratic Unionist Party, the small Northern Irish party on which she depends to govern, also said it would back her, likely preserving her place at the head of the government.

Tuesday's defeat suggests that members of Parliament will increasingly take control of the Brexit process from the government as opportunities emerge in the coming days and weeks for

them to rewrite government legislation and prod Mrs. May toward a different strategy.

The way forward may become clearer Monday, when the prime minister said she would make a statement outlining her proposed new approach. Lawmakers could then vote on—and amend—the proposal, potentially showing the type of deal the Commons could coalesce around. Mrs. May could then reopen talks with the EU before again putting a deal to Parliament for approval.

Until now, the only clear majority in Parliament appears to be against a no-deal Brexit.

“The prime minister now has a big, big mandate to go back to Brussels and get a better deal, which she will do,” said Boris Johnson, the government’s former foreign secretary and a Brexit cheerleader. “The defeat just shows the depth of Parliament’s hostility” to her deal, he added.

The prime minister summed up the challenge facing her in Parliament. “It is clear that the House does not support this deal. But tonight’s vote tells us nothing about what it does support,” she said.

Mrs. May will spend the rest of the week meeting with lawmakers from all parties, her spokesman said, trying to find out what type of Brexit could command a majority in Parliament.

She continues, however, to reject the idea of holding a second Brexit referendum or delaying Brexit beyond its scheduled date of March 29 to allow for further negotiations, he said. This limits the scope for substantial alterations to the deal.

EU leaders signaled, however, that they weren’t prepared to restart negotiations with London, saying the Brexit deal approved by leaders in November was the best one possible and the only way to secure Britain’s orderly exit from the bloc.

“We regret the outcome of the vote and urge the U.K. government to clarify its intentions with respect to its next steps as soon as possible,” said a spokesman for European Council President Donald Tusk in a statement on behalf of the 27 other EU leaders.

European Commission President Jean-Claude Juncker said the risk of a no-deal Brexit had increased with Tuesday’s vote and that the EU would continue preparing for that possibility. He also urged Mrs. May to set out the government’s next steps as soon as possible.

“Time is almost up,” he said.

The pound rose around 1% against the dollar in the moments following the vote, after having slid earlier Tuesday afternoon. For the day, the British currency was up 0.2% against the dollar at \$1.28. The euro was lower by around 0.5%, buying \$1.14.

Currency strategists said a substantial loss for Mrs. May’s proposal was at least partially baked into sterling’s price. A surprise result—especially fewer no votes than expected or an outright win for Mrs. May—could have sent the pound soaring against the dollar.

The rally in the pound reflected a wager by investors that the result in Parliament might lead to a softer Brexit approach, thus reducing the uncertainty that has been hampering economic growth, said Paul Dales, chief U.K. economist at Capital Economics.

The deal the lawmakers rejected on Tuesday would have ensured that when the U.K. quits the EU in March it would move into a yearslong transition period to buy time while it negotiates a trade agreement with its European counterparts.

Mrs. May spent the past month desperately trying to dredge up support for the deal, reaching

out to opposition Labour lawmakers and trade-union leaders. She also eked out a series of concessions from the EU to try to reassure lawmakers that the U.K.'s departure agreement would quickly translate into a deep trade deal between the two parties. The outcome of Tuesday's vote suggests that it was too little, too late.

Given the diplomatic legwork that went into forging the initial withdrawal deal, however, government officials are reluctant to reopen the fraught talks with the EU.

Any renegotiated deal is unlikely to pass Parliament, however, unless the changes are legally binding, a step EU governments have been reluctant to concede.

—*Laurence Norman contributed to this article.*

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