Boxed in by parliament, British Prime Minister Boris Johnson’s next move on the Brexit chessboard will most likely be played with the ruthless bravura that his senior adviser, Dominic Cummings, built his reputation on. Since Johnson won the top job in July, Britain’s Brexit crisis has spun more furiously, leaving investors and allies bewildered by an array of decisions that diplomats compare to the disorientating style of U.S. President Donald Trump. Johnson said on Tuesday he would not request an extension to Brexit, hours after a law came into force demanding that he delay until 2020 unless he can strike a divorce deal. Before its suspension, parliament refused his demand for a snap election. Cummings, the puppet master of Brexit who is cast by enemies variously as an anarchist, Britain’s Rasputin or a political vandal, was serene on Tuesday at the centre of the Brexit maelstrom. When asked what his next move would be on Brexit, Cummings told Reuters: “You guys should get outside London and go to talk to people who are not rich ‘remaineers.’” Asked if the United Kingdom would leave on Oct. 31, the 47-year-old Oxford graduate said: “Sure.” If there is a grand strategy, Johnson’s next move will shape the future of the world’s fifth-largest economy for generations; at stake is the fate of the Brexit endeavour, which both sides cast as the United Kingdom’s most significant decision since World War Two. But the chessboard has several dimensions: Johnson must factor the absence of any majority in parliament and the electoral threat from the Brexit Party of Nigel Farage, which increases if Brexit is delayed beyond Oct. 31. Ultimately, Johnson has five choices: strike and ratify a deal with the EU in 50 days; renege on his promises to leave the EU on Oct. 31; somehow get around the law; resign to let another leader request a delay; or an election is triggered.

**Deal or Resign?**

As sterling markets see-saw on the different Brexit outcomes, Johnson says he can get a deal on the last day of the Oct. 17-18 EU summit. “There is a way of getting a deal but it will take a lot of hard work. We must be prepared to come out without one,” he said on Tuesday. 

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**BREXIT NEGOTIATIONS**

- **EU vents frustration with Brexit shambles, but a ‘no’ to extension not likely**
  As frustration with Britain’s Brexit crisis boils over across Europe, France and the Netherlands have raised the prospect that the European Union might reject a request by Prime Minister Boris Johnson to extend the divorce deadline from Oct. 31.

- **Focus back on N.Ireland-only backstop as Johnson’s options narrow**
  With few options left to Prime Minister Boris Johnson to achieve his goal of taking Britain out of the EU on Oct. 31, officials in Brussels say that he may need to go back to the idea of a so-called Northern Ireland-only backstop to get a Brexit deal done.

- **Irish PM Varadkar says: no-backstop equals no-deal Brexit**
  Irish Prime Minister Leo Varadkar said on Monday that the removal of the border backstop without any proper replacement would mean a no-deal Brexit for the United Kingdom. “In the absence of agreed alternative arrangements, no backstop is no deal for us,” Varadkar said ahead of talks with his British counterpart, Boris Johnson.

- **Speaker Bercow, champion of Britain’s parliament in clash with Johnson, bows out**
  House of Commons Speaker John Bercow, champion of Britain’s parliament in its move to rein in Prime Minister Boris Johnson over Brexit, said on Monday he would stand down, issuing a warning to the government not to "degrade" parliament.
SCENARIOS

What options are left for British PM Johnson on Brexit?

By William James and Kylie MacLellan, Reuters

Prime Minister Boris Johnson's options are narrowing to deliver on his promise to lead Britain out of the European Union on Oct. 31, with or without an exit deal to soften the impact of the split. Seeking to avoid a no-deal exit, parliament has passed a law compelling Johnson to ask Brussels to postpone the departure until Jan. 31 if no deal has been reached by Oct. 19 or if parliament has not approved leaving without a deal by then. Johnson, who took office in July, says he would rather be "dead in a ditch" than ask for what would be the country's third Brexit delay.

The prime minister has tried twice to call an early election in the hope of winning a majority that would allow him to leave without a deal if necessary, but the request has twice been rejected by parliament. So, what may Johnson's next move be?

IGNORE THE LAW
Ministers have said they will respect the law that was passed by parliament, but also that they want to "test to the limit" exactly what it requires. The law states Johnson should write to the EU asking for an extension to the negotiations unless he either strikes a new Brexit deal that parliament approves, or gets parliament's approval to leave without a deal. Given Johnson has explicitly ruled out requesting a delay himself, his opponents in parliament are worried he might simply choose to ignore the law and refuse to send the letter. This would likely move the Brexit battle to the courts and, with no real precedent for such a situation, the outcome and how long it might take to reach one are highly uncertain.

SEND TWO LETTERS
The law, which came into force on Monday, specifies the exact wording of the letter that Johnson has to send to the EU, but it does not exclude the possibility of sending a second letter setting out a different position. The Daily Telegraph reported that this was one option under consideration by Johnson's team.

Britain says travellers to EU will have duty-free shopping after no-deal Brexit

Britain on Tuesday said there would be a return of duty-free shopping for travellers to the European Union if the country leaves the bloc without a deal. Those going to the EU won't have to pay UK excise duties on cigarettes and alcohol in a no-deal scenario, Britain's Treasury said, adding that a bottle of wine bought at London's Heathrow airport could be up to 2.23 pounds cheaper.

Britain at risk of losing leading edge in maritime services

Britain's position as a top hub for maritime services is being eroded by competition, a loss of shipping finance business and the removal of tycoon-friendly tax breaks, a report said, deepening uncertainty for its financial sector as Brexit nears.

Bank of England scales back estimate for worst-case Brexit GDP hit

A worst-case no-deal Brexit would inflict less severe damage on Britain's economy than previously thought because of preparations undertaken since the end of last year, Bank of England Governor Mark Carney said on Wednesday.

UK hireings hit hard by Brexit crisis - recruiters' survey

The number of workers hired for permanent jobs via recruitment agencies in Britain fell at the fastest pace in more than three years in August as the Brexit crisis deepened, a survey showed on Friday. The Recruitment and Employment Confederation and KPMG said hiring of temporary workers rose but remained close to its slowest pace in 75 months while permanent placements fell for the sixth month.

Britain's Prime Minister Boris Johnson speaks with year four and year six pupils during a visit to Pimlico Primary school in London, Britain, September 10. REUTERS/Toby Melville
SPECIAL REPORT

Jeremy Corbyn, Britain's unlikely EU warrior, makes last stand on Brexit

By Elizabeth Piper, Reuters

In 2009, a little-known British politician declared he didn't want to live in a European empire of the 21st century. The speaker was Jeremy Corbyn, then a backbench Member of Parliament (MP) on the hard left of the Labour Party. He was addressing a rally against the European Union's Lisbon Treaty that gave Brussels greater powers. Today, Corbyn is his party's leader and he is fighting a very different campaign: Preventing Prime Minister Boris Johnson leading Britain out of the EU, "do or die," on Oct. 31.

Corbyn's journey – from Eurosceptic to last line of defence against leaving the EU without a withdrawal agreement, from Socialist rebel to leader of an opposition united against Johnson – is among the most improbable in modern British history. In a backbench career spanning more than three decades, Corbyn voted against his own Labour Party over 400 times. He became Labour Party leader in 2015. Corbyn was at his most rebellious during fellow Labour member Tony Blair's premiership in 1997-2007, opposing closer economic and political ties with the EU, which is viewed by some on the hard left as a "capitalist club," and voting against the U.S.-led wars in Afghanistan and Iraq. He has called members of Hamas and Hezbollah "friends." He once described the North Atlantic Treaty Organization as a "military Frankenstein."

Corbyn's Labour is being investigated for anti-Semitism by Britain's human rights watchdog after a surge in complaints since Corbyn took office. Labour has said it will cooperate fully with the inquiry and Corbyn has promised to tackle the "poison" of anti-Semitism.

Labour MP Neil Coyle, who backed Corbyn to become party leader in 2015, sums up why for many people he is a divisive figure, and why he came to regret lending Corbyn his support: "He has 30 years of baggage on dodgy issues," Coyle told Reuters. Corbyn, 70, declined to be interviewed for this article. Reuters spoke to half a dozen people who know Corbyn well, including some of his closest allies, and reviewed past speeches, his parliamentary voting record, and overseas trips to paint a picture of the man who could be Britain's prime minister after an election expected in weeks.

Stockpiles of tomatoes? UK retailers bristle at demands of no-deal Brexit

By James Davey and Kate Holton, Reuters

A British demand for supermarkets to prepare for a potentially chaotic no-deal Brexit by stockpiling food is stoking anger in the industry, with bosses saying they should not be blamed if people can’t find everything they want on the shelves. With British politics spiralling towards an unpredictable endgame, makers of food and drugs are having to restructure operations in case the arrival of customs checks shatters supply chains, clogs ports and delays deliveries.

The food industry has warned that their stockpiling can only go so far, and executives have expressed incredulity at Michael Gove, the minister in charge of no-deal Brexit planning, who vowed this month that there would be no shortages of fresh food if Britain leaves the European Union (EU) without agreement on Oct. 31.

Already burned twice by the government delaying supposedly steadfast dates for Britain's exit from the EU, the industry is also wary of spending hundreds of millions of pounds again when the outcome is so uncertain.

"There is a clear attempt (by government) to talk to a narrative which is that companies, if only they prepared properly, would be able to cope and it's companies fault if they haven’t," said Justin King, who was CEO of Sainsbury’s, Britain’s second largest supermarket chain, for 10 years. "Read more"
**POLL**

Brexit to be delayed, chance of no-deal departure holds at 35% - economists

Brexit will be delayed again, according to a Reuters poll of economists that continued to put the chance of Britain and the European Union parting ways without agreeing a deal at 35%, despite the UK parliament attempting to block a no-deal exit. Prime Minister Boris Johnson said on Monday he wanted a Brexit deal on Oct. 18, just two weeks before the two sides are due to part ways, but has repeatedly said Britain will dissolve the more than four-decade long marriage on Oct. 31, with or without a withdrawal agreement. Yet all but three of the 35 respondents to an extra question said the scheduled departure date - already delayed - would be extended again, most likely to January. "Johnson said that he’d rather be ‘dead in a ditch’ than delay Brexit, but we don’t believe that for a second,” said Stefan Koopman at Rabobank. Lawmakers passed a bill last week requiring Johnson to ask EU leaders for a further Brexit delay if Parliament - which is being shut by the government on Monday - has not passed a Brexit deal or voted in favour of no-deal by October 19. There is a 35% chance of no deal being agreed, a so-called disorderly Brexit, according to the median forecast in a Sept. 5-9 Reuters poll, unchanged from an August poll which was the highest since Reuters began asking the question two years ago. Forecasts ranged from 10% to 60%. Still, a strong majority of economists still say the two sides will eventually settle on a free trade deal, as they have said since late 2016 when Reuters first started asking about the most likely outcome. In second place, again, was the more extreme option of leaving without a deal and trading under World Trade Organization rules. The third most likely outcome was Britain remaining a member of the European Economic Area, paying into the EU budget to maintain access to the Single Market yet having no say over policy. Fourth place once again went to cancelling Brexit.

**RECESSION AVERTED?**

Britain's economy picked up more than expected in July, official data showed on Monday, dampening fears it will succumb to its first recession since the financial crisis as the Brexit crisis escalates. “We had been concerned over the risk of a contraction in GDP, which given the 0.2% decline in Q2, would have meant a technical recession. This looks very unlikely now,” said Philip Shaw at Investec. Read more

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**FACTBOX**

UK government ensnared in court battles over suspending parliament

British Prime Minister Boris Johnson's decision to suspend parliament for more than a month before Brexit is being challenged in three court cases that are being heard this week. Johnson announced last week that he will suspend the British parliament from mid-September to mid-October ahead of an Oct. 31 Brexit deadline, enraging his opponents and raising the stakes in the country's deepest political crisis in decades. Read more

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**POLL**

Sterling to rally 6% against euro if Brexit deal agreed

Sterling will rally around 6% against the euro if Britain leaves the European Union with a deal, an outcome looking somewhat more likely after British lawmakers seized control of parliament to try and block a no-deal Brexit, a Reuters poll found. Read more

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