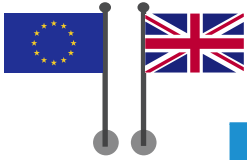




European
Commission

EU-UK RELATIONS:

A new relationship, with big changes



TRADE IN GOODS



Consequences of the UK's choice to leave the EU, Single Market & Customs Union

- ▶ UK goods no longer benefit from free movement of goods, leading to more red tape for businesses and adjustments in EU-UK supply chains
- ▶ Customs formalities and checks on UK goods entering the EU, with more border delays
- ▶ VAT and, where applicable, excise duties (e.g. on alcoholic beverages, tobacco products, etc.) due upon importation (including for online purchases)
- ▶ UK producers wishing to cater to both EU and UK markets must meet both sets of standards and regulations and fulfil all applicable compliance checks by EU bodies (no equivalence of conformity assessment)
- ▶ UK food exports must have valid health certificates, and (phyto-)sanitary border checks will be carried out systematically

Benefits of the EU-UK Trade and Cooperation Agreement

- ▶ Zero tariffs or quotas on goods traded, ensuring lower prices for consumers – provided agreed rules of origin are met
- ▶ Traders can self-certify the origin of goods sold and enjoy 'full cumulation' (i.e. processing activities also count towards origin, not just materials used), making it easier to comply with requirements and obtain zero-tariff access
- ▶ Mutual recognition of trusted traders programmes ('Authorised Economic Operators') ensures lighter customs formalities and smoother flow of goods
- ▶ Common definition of international standards and possibility to self-declare conformity of low-risk products make it easier for producers to cater to both markets
- ▶ Specific facilitation arrangements for wine, organics, automotive, pharmaceuticals and chemicals

TRADE IN SERVICES, DIGITAL & PROCUREMENT



- ▶ UK service suppliers no longer benefit from the 'country-of-origin' approach or 'passporting' concept (e.g. for financial services), which enable automatic access to the entire EU Single Market
- ▶ No more automatic recognition of professional qualifications: Doctors, nurses, dentists, pharmacists, vets, engineers or architects must have their qualifications recognised in each Member State they wish to practice in
- ▶ UK operators no longer free to supply audiovisual services in the EU with UK licence

- ▶ Service suppliers or investors from the EU are treated no less favourably than UK operators in the UK, and vice-versa
- ▶ Facilitations for short-term business trips and temporary secondments of highly-skilled employees
- ▶ Removal of unjustified barriers to digital trade, including prohibition of data localisation requirements, while respecting data protection rules
- ▶ UK public procurement markets are open to EU bidders established in the UK, on equal footing, and vice versa, also for small contracts

ENERGY & CLIMATE



- ▶ UK no longer participates in seamless EU internal energy market that ensures more efficient, cheaper, more secure supplies of electricity, gas and oil
- ▶ UK is no longer part of the EU's Emissions Trading Scheme (EU ETS) and its effort-sharing mechanism
- ▶ UK is no longer member of the European Atomic Energy Community (Euratom) and cannot trade nuclear material and technology with Euratom






- ▶ Efficient trading over interconnectors thanks to multi-region loose volume market coupling system
- ▶ Guarantees on security of energy supply
- ▶ Offshore energy cooperation in the North Sea
- ▶ Enforceable commitments towards Paris Agreement and non-regression on climate change and carbon pricing, with possibility of linking EU and UK carbon pricing regimes
- ▶ Separate agreement on safe and peaceful uses of nuclear energy enable transfer of nuclear material and technology

MOBILITY



- ▶ No more free movement of people: UK nationals no longer have freedom to work, study, start a business or live in the EU
- ▶ UK visitors to the EU need a valid passport; visas are required for stays over 90 days in a 180-day period; additional border checks; EU pet passports no longer valid

- ▶ Non-discrimination clause ensures equal treatment of EU citizens for short-term visas
- ▶ Coordination of some social security benefits (old-age and survivors' pensions, pre-retirement, healthcare, maternity / paternity, accidents at work) making it easier to work abroad and not lose rights

| | Consequences of the UK's choice to leave the EU, Single Market & Customs Union | Benefits of the EU-UK Trade and Cooperation Agreement |
|---|---|--|
| AVIATION  | <ul style="list-style-type: none"> ▶ UK air carriers no longer participate in fully liberalised EU aviation market: <ul style="list-style-type: none"> • They can no longer operate passenger and/or cargo flights between EU destinations based on UK-issued licence • They can no longer operate passenger flights onwards to or from the EU (e.g. London-Amsterdam-Bangkok) ▶ UK no longer participates in or contributes to shaping standards in EU Aviation Safety Agency | <ul style="list-style-type: none"> ▶ Unlimited point-to-point traffic between EU and UK airports (3rd and 4th freedoms) ▶ Member States can agree bilateral 5th freedom with UK for extra-EU cargo (e.g. Paris-London-New York) ▶ Cooperation on aviation safety, security and air traffic management ▶ Provisions on ground handling and slots (non-discrimination & access), and passenger rights, on top of horizontal level playing field clauses on environment, social issues and competition |
| ROAD TRANSPORT  | <ul style="list-style-type: none"> ▶ UK no longer participates in EU Single Market for transport services ▶ UK operators lose right to conduct unlimited cross-trade in the EU and up to three cabotage operations within the territory of a Single Member State | <ul style="list-style-type: none"> ▶ Unlimited point-to-point access for hauliers carrying loads between the EU and the UK + full transit rights across each other's territories ▶ Right to perform up to 2 extra operations in the other party's territory (of which maximum 1 cabotage operation for UK hauliers) ▶ Provisions on working conditions, road safety and fair competition, on top of horizontal level playing field clauses on environment, social issues and competition |
| FISHERIES  | <ul style="list-style-type: none"> ▶ UK becomes an independent coastal state and is free to decide on access to its waters and fishing grounds, in respect of its international obligations ▶ UK leaves the Common Fisheries Policy – the EU's joint legal framework ensuring equal access to waters, stable quota-sharing arrangements and the sustainable management of marine resources ▶ UK fishery products face customs & SPS checks upon EU entry | <ul style="list-style-type: none"> ▶ New arrangements ensure sustainable management of shared fish stocks in EU & UK waters, respecting both parties' rights and obligations as independent coastal States ▶ Transition period of 5.5 years during which reciprocal access rights to fish in each other's waters remain unchanged, with gradual transfer of EU quotas to the UK, taking into account the need to preserve marine resources and the activities of fishing communities reliant on those waters |
| SECURITY & THEMATIC COOPERATION  | <ul style="list-style-type: none"> ▶ UK no longer participates in or shapes rules of EU agencies for police and judicial cooperation (Europol, Eurojust) and no longer benefits from privileged cooperation amongst police and judicial authorities ▶ UK no longer has access to sensitive EU databases and networks that support the EU's area of freedom, security and justice, such as SIS II | <ul style="list-style-type: none"> ▶ Continued cooperation between UK, Europol & Eurojust ▶ Arrangements for a strong cooperation between national police and judicial authorities of the UK and Member States, including on surrender ▶ Mechanisms for swift exchanges of Passenger Name Record (PNR) data, of DNA, fingerprints and vehicle registration data (Prüm), and of criminal record information ▶ Cooperation on cross-border health security threats and exchanges of classified information |
| UNION PROGRAMMES  | <ul style="list-style-type: none"> ▶ UK no longer benefits from EU funding programmes, e.g. <ul style="list-style-type: none"> • NextGenerationEU, aimed at speeding up the EU's collective recovery from Covid pandemic; • regional development and cohesion funding; • agricultural & rural development support; • and many others. ▶ UK is excluded from sensitive, high-security projects or contracts | <ul style="list-style-type: none"> ▶ UK participates in 5 EU programmes open to third-country participation (subject to its financial contribution), namely: <ul style="list-style-type: none"> • Horizon Europe (research and innovation) • Euratom Research and Training programme • ITER (fusion test facility) • Copernicus (Earth monitoring system) • Access to EU satellite surveillance & tracking (SST) services |