

Framework for future EU-UK relations

The European Parliament will hold a debate and vote a resolution setting out its proposals on the future relationship with the United Kingdom after Brexit, during its March plenary session. It thus aims to feed into the guidelines the European Council is expected to adopt on 22 March, on opening exploratory discussions with the UK on the framework of the future EU-UK relationship.

Background

With [talks](#) continuing on the withdrawal agreement, based on the December 2017 [joint EU-UK report](#), guidelines on the framework for the future EU-UK relationship are expected to be agreed at a 22-23 March European Council meeting. A [draft](#) was sent to EU-27 leaders by the [European Council President](#) on 7 March. For the first time in history, the EU will negotiate the loosening of ties with a country, from a situation of full convergence.

The future framework for EU-UK relations and negotiating positions

Article 50 TEU contains no provisions on agreement(s) on a future relationship, therefore the Treaty procedures for negotiation and conclusion of international agreements apply. Since agreement(s) on future relations can be concluded only after the UK has left the EU, the aim is to agree an 'overall understanding of the framework for the future relationship', in a political declaration annexed to the withdrawal agreement.

The EU-27 agreed on broad principles for the 'framework' in [April](#) and [December](#) 2017. While affirming its desire for a close future partnership with the UK, the European Council set out the core principles guiding the EU: protecting the EU's interests; ensuring a balance of rights and obligations, and a level playing field; preserving the integrity of the single market; stating that a non-member state cannot have the same rights as a Member State; preserving the EU's decision-making autonomy, and the role of the European Court of Justice (CJEU); safeguarding the EU's financial stability, its regulatory and supervisory regime. An EU-UK free trade agreement (FTA), which should be 'balanced, ambitious and wide-ranging,' must not undermine the single market, by allowing sectorial participation or by failing to ensure safeguards against unfair practices (i.e. UK lowering standards on state aid, competition, environment, tax). It should also 'avoid upsetting existing relations with other third countries'. The EU-27 also expressed readiness to establish partnerships in other areas, such as 'the fight against terrorism and international crime, as well as security, defence and foreign policy'.

The general UK objective for future relations, as expressed in various places (such as the February 2017 [white paper](#) on the new partnership with the EU, several [thematic papers](#), and [speeches](#) of the Prime Minister) is to secure the 'most frictionless possible trade in goods and services' outside the single market and customs union, through a 'new strategic partnership with the EU, including an ambitious FTA and a new customs arrangement', but one not based on an existing [EU model for relations with third countries](#). A critical objective (shared by the EU) is to avoid any physical infrastructure at the Irish border. The UK has repeatedly reconfirmed its red lines (ending direct jurisdiction of the CJEU, ending the freedom of movement of people and contributions to the EU budget, and pursuing an independent trade policy). The UK has also proposed to agree a treaty on internal security and a partnership on foreign and defence policy.

Trade and economic relations

The EU is the UK's largest [trading partner](#): in 2016, 43 % of all [UK exports](#) went to the EU, while 54 % of all UK imports came from the EU. Services made up 38 % of UK exports to the EU (particularly financial and business services). Single market and customs union membership enables this [interdependence](#), but by rejecting this, the UK would make trade for both sides 'more [complicated and costly](#) than today', Donald Tusk, the President of the European Council, stated. The EU is most concerned about the [challenge](#) in regulation, arguing that an ambitious partnership requires 'common ground in fair competition, state aid, tax dumping, food safety, social and environmental standards'. Divergence would also be a [major obstacle](#) to cooperation in Ireland.



In her most recent [speech](#), the UK Prime Minister, Theresa May, recognised the trade-offs between sovereignty and market access, and the concept of a level playing field. She sought the 'broadest and deepest possible partnership – covering more sectors and cooperating more fully than any FTA in the world today', with, inter alia, voluntary alignment with EU standards, zero tariffs and quotas for goods and a 'comprehensive system of mutual recognition', a customs partnership, UK associate membership in EU regulatory agencies (medicines, chemicals, aviation safety), an independent arbitration mechanism, reciprocal access to waters for fisheries, and a financial services framework that is 'reciprocal, mutually agreed and permanent'. A new data protection agreement and cooperation in other fields (transport, energy, culture, etc.) were mentioned. Some assessed the proposals to be '[double cherry picking](#)', combining partial membership of the single market with elements of various EU FTAs and offering no solution on avoiding a hard Irish border. The [draft European Council guidelines](#) confirm that UK rejection of the single market and customs union leaves the option of a [Canada-style FTA](#), [proposing](#) zero tariffs and quotas for trade in goods, reciprocal access to fishing waters, regulatory cooperation; market access for services under host state rules, with 'ambitious provisions on movement of people' and recognition of professional qualifications. Public procurement, investment and intellectual property rights, including geographical indications should also be covered. The draft does not mention financial services, and opts for the EU adequacy rules on data protection. However, the EU would reconsider its offer should the UK's position evolve.

Police and judicial cooperation in criminal matters

Despite its [special status](#) (opt-outs), the UK has brought considerable expertise in the area of cooperation in criminal matters. As a third country, the UK would lose full access to important instruments, such as various Europol databases, cooperation under the European arrest warrant and European investigation order, and the exchange within the EU of criminal records for third-country nationals and passenger name records. The UK proposes to negotiate a [UK-EU security treaty](#) to preserve operational capabilities, while respecting both legal orders. The EU is eager too to discuss [options](#) for future cooperation: the draft European Council text mentions 'effective exchanges of information, support for cooperation between law enforcement and judicial authorities', while considering the UK's future status as a non-Schengen third country.

Foreign policy and defence

On [foreign policy and defence](#), both sides would like to reach a deal rapidly, as a 'standstill transition' could not apply after exit day. The common foreign (CFSP) and defence (CSDP) policies require unanimity for decisions, and during transition the UK would lose representation in the EU institutions. However, [debate](#) is ongoing among the EU-27 on what [model of association](#) could be offered. Some EU [red lines](#) for defence have emerged: inter alia, no UK participation in Council meetings; no lead on Battlegroups or CSDP missions; no provision of EU operational headquarters; and participation in permanent structured cooperation (PESCO) by invitation only. The draft guidelines specify that a future partnership should include mechanisms for dialogue, consultation, exchange of information and cooperation, while respecting the EU's decision-making autonomy. A security of information agreement is a prerequisite. The UK has also pushed for a [future security partnership](#) with the EU, based on consultation and coordination in diplomatic fora; cooperation on sanctions; operational cooperation through UK contributions to EU operations and development programmes; and on capability development, including a future relationship with the European Defence Fund and Agency (EDA).

Other areas

The draft guidelines state the need for [air transport](#) and aviation safety agreements, and readiness to cooperate in research, innovation, education and culture, subject to appropriate UK financial contributions.

European Parliament position

On 13-14 March 2018, Parliament is set to [debate](#) and adopt a [resolution](#) on the framework of the future EU-UK relationship. The draft resolution builds on previous EP positions on Brexit ([5 April](#), [3 October](#) and [13 December 2017](#)) and contains concrete proposals on the issue. Essentially, it proposes an association agreement (based on Articles 8 TEU and 217 TFEU) – with a single coherent governance mechanism for the entire relationship – comprising four pillars: trade and economic relations (a comprehensive EU-UK FTA); foreign policy, security, defence and development cooperation; internal security; and thematic cooperation (fisheries, aviation, research, innovation, culture, education etc.). The EP recalls that its consent for an agreement is linked to respecting the principles set out in the resolution. Finally, the EP expresses support for the Commission's [draft withdrawal agreement](#) and restates the importance of reaching a deal on citizens' rights.