17.12.2019

Mr Antonio Tajani
Chair
Committee on Constitutional Affairs
PHS 08B043
BRUSSELS

Subject: Opinion on Conclusion of the Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community ((2018/0427(NLE))

Dear Chair,

Under the procedure referred to above, the Committee on the Internal Market and Consumer Protection asked to submit an opinion to your committee in the form of a letter.
The Committee on the Internal Market and Consumer Protection considered the matter at its meeting of 4 December 2019. At that meeting, it decided to call on the Committee on Constitutional Affairs, as the committee responsible, to incorporate the following suggestions into its motion for a resolution.

Yours sincerely,

Petra De Sutter MD, PhD
Chairwoman

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1 The following were present for the final vote: Pierre Karleskind (Acting Chair), Róža Thun und Hohenstein (Vice-Chair), Maria Manuel Leitão Marques, (Vice-Chair), Petra De Sutter (rapporteur for opinion), Adam Bielan, Carlo Fidanza, Alex Agius Saliba, Clara Aguilera, Andrus Ansip, Pablo Arias Echeverría, Pascal Arimont, Anna-Michelle Asimakopoulou, Alessandra Basso, Brando Benifei, Adam Bielan, Hyniek Błaško, Biljana Borzan, Vlad-Marius Botoș, Markus Buchheit, Dita Charanzová, David Cormand, Dinesh Dhamija, Carlo Fidanza, Evelyne Gebhardt, Alexandra Geese, Svenja Hahn, Virginie Joron, Eugen Jurzyca, Arba Kokalari, Marcel Kolaja, John Longworth, Morten Løkkegaard, Adriana Maldonado López, Leszek Miller, Dan-Ștefan Motreanu, Anne-Sophie Pelletier, Jiří Pospíšil, Christel Schaldemose, Tomislav Sokol, Edina Tóth, Kim Van Sparrentak, Marion Walsmann and Ivan Štefanec.
SUGGESTIONS

Internal market

1. Recalls that the free movement of goods within the Single Market is ensured by the Customs Union and the rules on harmonisation and mutual recognition of products, as well as by the case-law of the Court of Justice of the European Union. Market surveillance and robust product standards are therefore an essential and irreplaceable part of any future relationship with the UK to ensure a level playing field for EU businesses and an adequate protection of EU consumers;

2. Insists that the operational procedures to be adopted during the transitional regime must be aimed at preserving the rules of the Union's internal market for goods and the Customs Union. It is therefore of the utmost importance to safeguard the compliance of the goods with the Single Market rules;

3. Highlights with satisfaction that in general the Agreement keeps applicable the fundamental principles on free movement of services, establishment and recognition of professional qualifications during the transition period, in order to avoid disruptions in the functioning of the Single Market;

4. In this regard, recalls in particular that, pursuant to Article 25 of the Agreement, subject to some limitations, self-employed persons shall enjoy the rights guaranteed by the Treaty on freedom of establishment and freedom to provide services. The right to pursue a profession is secured in Article 27 of the Agreement, given that the recognition of professional qualifications before the end of the transition period, made in line with the relevant provisions of the Professional Qualifications Directive or the Lawyers Establishment Directive will maintain its effects. In order to facilitate the implementation of these provisions in practice, administrative cooperation on recognition of professional qualifications is foreseen in Article 29 of the Agreement;

5. Welcomes the fact that the agreement clarifies the applicable rules for public procurement procedures launched before the end of the transition period and not finalised within the transition period, including with respect to remedies;

Consumer policy

6. Highlights that consumers rights stemming from EU law and other relevant EU rules are fully applicable during the transition period and stresses that while the situation should not change for consumers and traders, who should have the same rights and obligations during the transition period, it is important that consumers are adequately informed if they are purchasing in the UK or from a UK trader;

Customs

7. Considers that, as a result of the exit from the Customs Union of UK, tensions in the trade and on the supply chains of companies could be expected; believes that serious disruptions in the flow of goods should be avoided; whereas the preparedness exercise that has been carried out by the EU27 Member States with the support of the European Commission should be thoroughly assessed, stepped up and resources allowed where
necessary, in order for the preparedness exercise to become a priority in the Brexit process;

8. Welcomes as a step forward the provisions aimed at the facilitation of the circulation through Great Britain of goods in transit between two points belonging to the Customs Union;

**Protocol on Ireland/Northern Ireland**

9. Notes that a great deal of uncertainty remains as regards the concrete arrangements that will underpin the functioning of the agreement to keep Northern Ireland within the Customs Union framework (as well as within the Single Market rules) for goods and agricultural products. Most of these arrangements will have to be defined by a Joint Committee. The utmost efforts need to be deployed to ensure that the procedures and controls put in place by the Joint Committee allow for the effective detection, among the goods that are brought from Great Britain to Northern Ireland, of those defined as being “at risk of subsequently being moved into the Union”. The importance of the correct identification of the goods belonging to that category lays in the fact that they will be subject to EU tariffs, excise duties or VAT, and that they must comply with the Single Market rules;

10. Maintains that if the United Kingdom is entrusted with the collection of own resources of the Budget of the Union that would have to be paid back to the Union, a natural measure of protection of the financial interest of the Union would be to put in place an adequate mechanism of supervision of the correct implementation of the procedure for detection of goods “at risk of subsequently being moved into the Union”. The arrangements need to guarantee that the controls on agricultural and food products - e.g. phyto-sanitary controls - would not be less robust than they are at any entry point in an EU Member State. Likewise, the compliance with the Single Market rules and regulations should not leave room for loopholes. The possibility must not exist for trade operators to obtain gains from the diversion of operations to locations where standard regulatory obligations could be avoided;

11. Stresses that appropriate scrutiny for the European Parliament of the coherence and alignment of the arrangements devised by the Joint Committee, as well as the effectiveness of the solutions put in place should be guaranteed.

The IMCO Committee thus calls on the AFCO Committee, as the committee responsible, to recommend that Parliament gives its consent to the draft Council decision on the conclusion of the Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community (2018/0427(NLE)).