

EU-UK Trade and Cooperation Agreement

During the April plenary session, the European Parliament is due to vote on giving its consent to the Council decision concluding the Trade and Cooperation Agreement between the European Union and the United Kingdom. This Agreement, which has been provisionally applied since 1 January 2021, is the institutional framework, which, conditional on Parliament's consent, will govern the new EU-UK relationship. It establishes trade on zero-tariff/quota terms and covers a wide range of areas, including energy, transport and fisheries.

Content of the Trade and Cooperation Agreement

A large part of the [Trade and Cooperation Agreement](#) (TCA) touches upon economic activity between the two partners. First and foremost, these [chapters](#) set out that trade in goods will take place under conditions of zero tariffs and quotas, although such trade will be subject to non-tariff barriers such as rules of origin. On digital trade, the TCA safeguards the primacy of data protection and privacy rules, and provides for a ban on data-localisation requirements and on customs duties on electronic transmission. The energy chapters grant access to wholesale markets and provide a framework for developing rules on the management of electricity and gas interconnectors. In addition, key principles of EU law will continue to apply in some areas of energy policy. In air and road transport, the TCA allows operators to provide services from points in the EU to points in the United Kingdom and vice versa, with a limited number of road haulage operations allowed in each other's territory. Regarding the movement of people, the TCA grants visa-free short-term tourism, and provides facilitation for short-term business visits for specific purposes; it also provides for social security coordination, in particular for pensions. On fisheries, the TCA provides for a gradual shift of quota shares from the EU to the United Kingdom, worth a quarter of the EU's catch value in UK waters, beyond which they can only be changed by mutual consent. The TCA also provides for compensatory measures in case of a reduction in access to waters. Finally, the negotiations dealt only marginally with financial services.

The level playing-field (LPF) chapters provide for non-regression provisions which constrain the parties to maintain at least the same level of standards as prevailed on 1 January 2021, in the social, labour, and environmental areas, including environmental targets set in the EU up to 31 December 2020. The provisions also establish a rebalancing mechanism, whereby a party may implement measures whenever significant divergences in these areas lead to 'material impacts' on trade or investment, and the responding party may call for the intervention of an arbitration tribunal. It also provides for reviews of the operation of the heading on trade, which may result in the termination of cooperation under the entire heading.

In a separate section, the TCA provides for continued cooperation in law enforcement and judicial cooperation in criminal matters. Among other things, it provides for the exchange of data between the parties – but without granting the United Kingdom direct access to the EU's databases and information systems – and introduces a new surrender mechanism for those accused or convicted of crimes. The United Kingdom will also continue to cooperate with the EU agencies in this field (Europol and Eurojust), under the third-country model. As for UK participation in EU programmes, based on draft protocols which are to be finalised only once the relevant EU programmes for the 2021-2027 financing period are adopted, it is expected to participate in programmes in the areas of research, innovation and space, including Horizon Europe. The UK will participate as a third country, subject to making a financial contribution.

The core governance body of the TCA is the Partnership Council, co-chaired by a member of the European Commission and of the UK government. It will oversee the attainment of the TCA objectives, and supervise its implementation and application, with the assistance of 19 specialised committees. The TCA also provides for dispute-settlement mechanisms, both horizontal and field-specific, involving decisions by arbitration tribunals or panels of experts. The collation of topics in a single agreement, coupled with a horizontal dispute-settlement mechanism linking various fields within the TCA, was another major source of divergence during the negotiations, with the EU strongly supporting this approach.

Negotiating positions

The negotiating [directives](#) adopted by the Council, and the Commission's [draft text](#), aimed at securing a single overarching institutional framework, which were viewed as a means of simplifying the institutional setting of the new relationship in addition to establishing cross-sectoral retaliation mechanisms. The EU was also in favour of sound LPF provisions safeguarding current levels of standards in the social, labour, and environment fields, and a dynamic mechanism supporting future alignment. The draft text referred to the Court of Justice of the EU (CJEU), which would have jurisdiction to give binding rulings on EU law in some areas.

The United Kingdom's [approach](#) to the negotiations, and its [draft texts](#), showed a substantially different position. First, the United Kingdom favoured a multi-agreement approach, proposing several separate texts, including agreements on [trade](#), [fisheries](#), [energy](#), [social security coordination](#), and [cooperation in judicial matters](#). In addition, the United Kingdom sought 'friendly' cooperation between 'sovereign equals' with no obligations for UK laws to be aligned with the EU's, or for the EU's institutions, including the CJEU, to have any jurisdiction over the UK. According to the UK's draft text, fish quotas would be allocated to coastal states based on a scientific assessment of the zones in which the stocks are primarily located.

European Parliament position

In its [recommendation](#) on the negotiations for a new partnership with the UK, adopted on 18 June 2020, the European Parliament reiterated its support for the European Commission's approach to the negotiations, as well as for the objective of having an overarching agreement with sound LPF provisions. These would prevent a 'race to the bottom', while enabling 'dynamic alignment' in future. In addition, access to the EU single market for UK fishery products should be conditional on EU access to UK waters.

The Committees on Foreign Affairs (AFET) and International Trade (INTA) have been jointly responsible for preparing the [consent vote](#) on the EU-UK Trade and Cooperation Agreement, pursuant to [Rule 58](#) of the Parliament's Rules of Procedure. On 15 April 2021, the AFET-INTA joint committee [voted](#) to adopt its [recommendation](#) in favour of giving consent to the [draft Council decision](#) concluding the Agreement on the EU side, by 108 votes for, one against and four abstentions, and thus recommended that the Parliament's plenary give consent to the conclusion of the agreement.

During the [meeting](#), the INTA Chair, Bernd Lange, declared that a date for the plenary vote had yet to be set, because a 'clear and reliable' message from the Commission that the United Kingdom will respect the [Protocol on Ireland/Northern Ireland](#) attached to the earlier Withdrawal Agreement would be required beforehand. He added that the Commission has committed to recognising the 'vital role' of the Parliament in the implementation process, and on which it is expected to make a statement to plenary before the vote. The AFET Chair, David McAllister, regretted that the agreement was not more comprehensive, especially given the absence of a chapter on foreign policy, security and defence, adding that more work will be needed to broaden and deepen the relationship with the United Kingdom in the coming years.

The [provisional application](#) of international association agreements is provided for under [Article 218\(5\)](#) of the Treaty on the Functioning of the EU (TFEU), which states that this can take place 'if necessary'. However, in accordance with [Article 218\(6\)](#) TFEU, the Council may only adopt the decision concluding an agreement after obtaining the consent of Parliament. In her [Political Guidelines](#) and in line with Parliament's long-standing demand, Commission President Ursula von der Leyen had made a commitment that provisional application of trade agreements would only happen once the Parliament had given its consent. The [Parliament](#) agreed to accept provisional application of the TCA prior to its consent vote, but it made clear that this was an exception, and that, under no circumstances could it be a precedent for future trade agreements.

As to the legislative procedure in the United Kingdom, its Parliament [adopted](#) the [European Union \(Future Relationship\) Act 2020](#) on 30 December 2020, and the Act received Royal Assent the same day, allowing the UK government to ratify the TCA.

Recommendation on consent: [2020/0382\(NLE\)](#); Committees responsible (jointly under [Rule 58](#)): AFET and INTA; Rapporteurs: Andreas Schieder (S&D, Austria) and Christophe Hansen (EPP, Luxembourg).

