

CONTENT

Background and state of play

The United Kingdom (UK) withdrew from the European Union (EU) on 1 February 2020 and, in accordance with the Withdrawal Agreement, entered a 'transition period', which ran until 31 December 2020. During this period, albeit no longer a member of the EU, the UK remained part of the EU single market and customs union, and EU law remained applicable (with some exceptions).

On 25 February 2020, the Council authorised the Commission to open negotiations on the future partnership agreement with the UK. The negotiations were launched on 2 March 2020 and led by the Commission on behalf of the EU, with Michel Barnier the chief negotiator. On 24 December 2020, the Commission and UK's government reached a Trade and Cooperation Agreement (TCA), after nearly ten month of intensive negotiations. On 29 December 2020, the Council adopted the decision on the signing of Agreement and its provisional application as of 1 January 2021, pending the consent of the European Parliament and conclusion by the Council.

Content of the Agreement

The TCA covers a number of areas involving economic activities and cooperation between parties. Among others, it provides for zero tariff and quota trade in goods, access to wholesale markets of energy, and covers transport services between the EU and the UK. It also grants visa-free short-term tourism and envisages social security coordination in some areas. Regarding fisheries, it provides for a gradual shift of quota shares from the EU to the UK, worth a quarter of the EU's catch value in UK waters. The TCA also provides for cooperation in law enforcement and judicial cooperation in criminal matters with the exchange of data between the parties, and the creation of a new surrender mechanism for those accused or convicted of crimes. The UK will also cooperate with the EU agencies (Europol and Eurojust).

In order to safeguard the level playing field (i.e., fair competition), the TCA requires parties to maintain at least the same level of standards in the social, labour, environment and climate areas as prevailed on 1 January 2021 (*non-regression from levels of protection*), and establishes a mechanism whereby significant divergences in these standards can be offset by measures (*rebalancing*).

The TCA establishes the *Partnership Council* as its core governance component, in charge of supervising the implementation and application of the agreement. Vice-President of the European Commission for Inter-institutional Relations Maroš Šefčovič and Minister of State for the Cabinet Office David Frost (as 1 March 2021) have been appointed as co-chairs.

The parliaments of the EU and the UK may establish a *Parliamentary Partnership Assembly* consisting of members of both parliaments. This Assembly (a) may request information regarding the implementation of the Agreement from the Partnership Council, (b) shall be informed of the decisions and recommendations of the Partnership Council, and (c) make recommendations to the latter.

Main negotiation issues

The parties primarily disagreed on three topics during the negotiations. Firstly, the EU supported the single agreement approach (*overarching institutional framework*), which is aimed at simplifying the institutional framework and allowing cross-sectoral retaliation mechanisms; the UK aimed at distinct agreements by field.

Secondly, the EU aimed at more restrictive level playing field to safeguard fair competition, in particular, the non-regression and future alignment of labour, social, and environmental standards; the UK was in favour of sticking to international agreements, only.

Thirdly, regarding fisheries, the EU wanted to retain the status-quo as far as possible, including reciprocal access to waters in return for access to markets; the UK emphasised that as a 'sovereign coastal state', it would not relinquish control over its fisheries waters to any third party.

Procedure to adopt the agreement

Given that the TCA was signed by parties shortly before the end of the transition period, the TCA was provisionally applied until 28 February 2021; the provisional application was extended until 30 April 2021.

The procedure in the European Parliament was started on the basis of the Commission's proposal for the Council decision on the conclusion of the agreement (COM(2020)0856). The process follows Rule 105 (consent procedure) and Rule 58 (joint committee) of the Rules of Procedure of the European Parliament. It has been referred to the Committees on Foreign Affairs (AFET) and International Trade (INTA), as the responsible committees.

In the draft recommendation dated on 28 January 2021, the rapporteurs Kati Piri (AFET, S&D) and Christophe Hansen (INTA, EPP) recommended that Parliament gives its consent to the conclusion of the agreement.

On 8 March 2021, the referral to joint committee was announced in Parliament. On 1 April, Andreas Schieder (AFET, S&D) replaced outgoing MEP Kati Piri.

On 15 April 2021, the AFET-INTA joint committee voted in favour of consent as a first step toward ratification in plenary, which was conditioned on clear and reliable signals that the Withdrawal Agreement was going to be fully implemented.

On 27 April 2021, the European Parliament adopted the consent decision by 660 votes for, 5 against, 32 abstentions; the accompanying resolution, setting out Parliament's evaluation of and expectations from the deal, passed by 578 votes, with 51 against and 68 abstentions. The results were announced on 28 April. On 29 April 2021, the Council adopted a decision on the conclusion of the EU-UK Trade and Cooperation Agreement, which was the last step in the ratification.

The EU-UK Trade and Cooperation Agreement entered into force on 1 May 2021.

Negotiating position of the European Parliament

The UK Coordination Group (UKCG) at the European Parliament, succeeding the Brexit Steering Group, is chaired by David McAllister (EPP). The UKCG had meetings with the EU chief negotiator Michel Barnier on a weekly basis. It prepared a resolution on the mandate for negotiations that was adopted by Parliament on 12 February by a large majority, showing strong support to Michel Barnier. Another recommendation on the ongoing negotiations was adopted on 18 June by a large majority giving further support to EU negotiators. The recommendation emphasised that all negotiations are indivisible and a free trade agreement should have robust level playing field guarantees and a satisfactory agreement on fisheries.

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Further reading:

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- European Parliament, EPRS, [Three critical issues in EU-UK relations](#), Briefing, June 2020
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