

Post -Brexit Trade Deal

April 30, 2021

In News: European Parliament has approved the post-Brexit EU-UK trade deal.

More about the deal-

The EU lawmakers backed the trade and cooperation agreement by 660 votes to five, with 32 abstentions. The deal, which was finalised on Christmas Eve, had already been ratified by the UK parliament and conditionally came into force pending the European Parliament's approval, which marks the final legal hurdle. The **UK had joined the bloc in 1973.**

- The agreement ensures that **most goods traded between the EU and U.K. won't face new tariffs or quotas** and U.K. and EU goods will continue to receive tariff-free and quota-free treatment.
- New rules require the U.K. to **self-certify the origin of its exports to the EU**. Certain products that contain a high threshold of inputs from outside the EU and U.K. may face new tariffs.
- The EU will require U.K. agri-food exporters to provide health certificates and undergo sanitary and phyto-sanitary controls at border inspection posts.
- The absence of a mutual recognition agreement means U.K. regulatory bodies won't be able to certify products for sale in the EU, a potentially big barrier to trade.
- The agreement only features standard provisions on financial services, meaning it **doesn't include commitments on market access.**
- Both sides will be **prevented from giving an unlimited state guarantee to cover a company's debts** or liabilities.
- The U.K. and the EU will have to **disclose the subsidies they award.**

- Disputes on the deal must be negotiated between the EU and the U.K. with **no role for the EU courts.**
- An arbitration panel may rule on some areas and can order one side to resolve the problem or offer compensation.
- For a five-year transition period, the agreement grants **EU fleets free access to fish in UK waters, including up to six miles off the coastline.**
- Both sides pledge to **limit customs red tape**, including through programs for trusted traders known as Authorized Economic Operators (AEOs have benefits including fewer controls).
- The **EU has stopped short of granting automatic recognition to British aerospace designs and products.**
- The deal includes a temporary solution to keep data flowing between the EU and U.K. until the bloc has adopted a data adequacy decision.
- Personal data shipped to the U.K. during this interim period “shall not be considered as transfer to a third country” under EU law.
- The **U.K. won't have access to the EU's internal energy market.**
- The U.K.-EU agreement would be suspended if either side breaches their commitments to the 2015 Paris Agreement on climate.
- There will **no longer be automatic mutual recognition of professional qualifications.**
- **Short-term business visitors won't need to hold work permits** or undergo economic needs tests.
- U.K. agri-food consignments will have to have health certificates and undergo sanitary and phyto-sanitary controls at Member States' border inspection posts.
- There will be cooperation between the U.K. and EU law-enforcement agencies, but the **U.K. loses membership in Europol and Eurojust.**
- There will be **similar cooperation on extraditions** to that between the EU and Norway and Iceland, “but with

appropriate further **safeguards for individuals beyond those in the European Arrest Warrant.**”