

EU/UK Trade & Cooperation Agreement

The EU Commission and UK Government reached agreement on an FTA (known as the TCA) on 24th December 2020; this has been agreed for what is technically provisional application by the EU member states, subject to formal ratification by the EU Parliament later in 2021. It was ratified by the UK Parliament on 30th December 2020.

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/948119/EU-UK Trade and Cooperation Agreement 24.12.2020.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/948119/EU-UK_Trade_and_Cooperation_Agreement_24.12.2020.pdf)

There are no immediate additional steps needing to be taken by EURIS member companies as a result of the Agreement but equally all the steps that were advised to be taken to protect against a no-deal outcome will still be required. For example, no additional facilitations were agreed for customs procedures and there is no mutual recognition agreement for conformity assessments. Member companies should still be prepared from 1st January 2021 to:

1. Make customs declarations in the same way as all Rest-of-World trade for EU trade;
2. Make arrangements for any mandatory third-party testing and certification of CE marked products to be either carried out by an EU27 Notified Body or for the files to be transferred from the UK test body to an EU27 test body for re-certification.

Tariffs & Rules of Origin

The ambitious joint target of an FTA with zero-tariffs and zero-quotas from the start has been achieved, for UK and EU products being traded between the two markets. To meet the zero tariff requirements, products must meet the required Rules of Origin. These vary for different products but the ask from EURIS for RoOs that are consistent, simple to apply and with minimal administration has been largely answered. For many products, the requirement is that the product has undergone sufficient UK manufacturing to cause a Change in Tariff Heading OR that 50% of the ex-works value of the product is sourced in the UK market. In addition, bilateral cumulation applies so that UK and EU content will both be treated as 'home' content. No extended cumulation was agreed to cover e.g. Japanese content.

Further guidance for applying RoOs to claim zero-tariffs is found here: <https://www.gov.uk/guidance/claiming-preferential-rates-of-duty-between-the-uk-and-eufrom-1-january-2021> this allows for self-declaration of origin with no third-party certification, allows a single declaration to be prepared for a single product-type where the manufacturing process and content remains the same and does not require the declarations to be submitted except on demand by customs authorities. Further, up to 31st December 2021 the importer will not need to hold a supplier's declaration at the time of claiming zero-tariffs but might be asked to seek them retrospectively.



3. Check your products' RoO to ensure qualification as a UK or UK/EU product and draw up the declaration to that effect in case of future demands.

Data Transfers

There is a joint ambition for a data adequacy decision from the EU to allow for free flow of data between the EU and UK on the same terms as with an EU member state. To allow for this, a period of up to 6 months from 1st January 2021 has been agreed during which transfer of data from EU to UK will not be subject to any additional restrictions. The adequacy decision is not guaranteed so action to agree Standard Contractual Clauses (SCCs) with EU suppliers and customers is still advisable.

4. Check that EU data transfers are covered by internal Binding Corporate Rules or SCCs.

Business Travel & Service Provision

Travel to the EU for business visits is generally permitted, with a general allowance for UK nationals to stay in the EU visa-free for up to 90 days in any 180 day period. In addition to attendance for business meetings, conferences and trade fairs, travel of staff visa-free for after sales servicing of equipment is likely to be permitted in most cases. As this is not an entirely EU competence, some member states may have taken out reservations to restrict this, details of which are on page 743 of the Agreement.

5. Check the eligibility of you and your staff to travel to EU member states for specific business purposes without obtaining a visa.

Summary

The EU/UK Trade & Cooperation Agreement covers an enormous span of activity, the notes in this Guidance note cover only a fraction of its scope, dealing with the issues requiring potential attention from our manufacturers in the first weeks of 2021. There are a large number of other issues concerning both the position of UK trade (both external and within the UK internal market) and our relationship with the EU that will be developed over months and years to come. Also, GB-only procedures such as UKCA marking will be implemented during 2021.

