

08 January 2021

Summary of the UK-EU trade deal – the *Trade and Cooperation Agreement*

Some important points to note regarding the [deal](#):

Tariffs and quotas - The deal means quota-free and tariff-free trade can continue to take place between the UK and EU subject to Rules of Origin (RoO) requirements.

Rules of Origin – these will apply in order to qualify for preferential rates of duty (i.e. avoid import tariffs) under the deal – see the guidance here on what you need to do to qualify and claim these preferential rates: [Claiming preferential rates of duty between the UK and EU from 1 January 2021 - GOV.UK \(www.gov.uk\)](#) (also see p27-41 and p482-483 of the deal itself and the attachments “*Defra EU Rules of Origin Business Guidance Presentation*” and “*Defra Rules of Origin Business Guidance*”)

Customs cooperation and facilitation - The agreement provides for mutual recognition of Authorised Economic Operators (AEO), allowing for streamlining of customs procedures for eligible traders. The UK and the EU have also agreed to cooperate and exchange information on customs and VAT matters to prevent fraud and recover unpaid duties.

Sanitary & Phytosanitary (SPS) - The agreement requires both sides to ensure that SPS border controls are “proportionate to the risks identified”. These will be reviewed regularly by a new Trade Specialised Committee on Sanitary and Phytosanitary Measures to see if further facilitations can be implemented without compromising biosecurity. There is a general aim to keeping the frequency of checks to a minimal level but doesn’t remove the need for them entirely.

The UK has not achieved its negotiation objective of agreeing an equivalence mechanism for SPS measures, or agreeing a reduced level of checks or fees similar to the EU–New Zealand veterinary agreement where, broadly, only 1% of goods are subject to SPS checks. It’s thought this would have required the UK to sign up to greater regulatory alignment with the EU in this area.

Geographical Indications/PGI - There is no chapter covering geographical indications, although the deal says that provisions could be agreed in future. The UK and the EU can set their own rules on GIs, but may agree joint rules for the protection and domestic enforcement of GIs in future. The UK remains bound by commitments in the Withdrawal Agreement to protect all existing GIs protected by the EU (whether from the EU or elsewhere). UK GIs remain protected in the EU provided they comply with the EU’s registration requirements.

Transport

Hauliers: The deal will allow road hauliers to continue operating between the UK and EU and to transit through UK or EU territory (which will allow ROI lorries to continue to use Britain as a land bridge to deliver goods to the EU). It also avoids the need for ECMT permits, additional certificates of professional qualification or the unilateral contingencies announced by the EU in December 2020. However, hauliers operating between the UK and the EU will face more restrictions than they do now. UK hauliers will have fewer/weaker cabotage rights, meaning they will be able to make fewer laden journeys (picking up and dropping off goods) within the EU than under EU membership.

On aviation, the deal will allow flights to continue between the UK and the EU without quantitative restrictions. UK and EU airlines will be able to carry out passenger and cargo flights between the UK and the EU without any limits on capacity or frequency.

EU member states may potentially strike bilateral agreements with the UK for cargo flights to be carried out between the UK, the EU member state, and a third country.

However, UK airlines will no longer be able to fly between two points in the EU. Many UK airlines operating these services have already established EU subsidiaries to continue these services.

On maritime transport, UK and EU ships will have access to each other's ports, port infrastructure and customs facilities on similar terms to those applied to their own vessels.

Mobility

Visa-free, short-term business trips are permitted between the UK and EU for specific purposes, such as attending meetings, training seminars and trade fairs, purchasing goods or services, and taking orders or negotiating the supply of services or goods. Short-term business visits are limited to 90 days in any 180-day period. Work trips will also be permitted for establishment purposes (senior management setting up a business enterprise), intra-company transfers, to fulfil a contract to provide services lasting no longer than 12 months and for self-employed professionals providing services.

Within these categories, there will be no market access restrictions (such as economic needs tests and discrimination based on nationality), although a number of EU member states have opt-outs which mean additional barriers may apply.

Intra-company transferees can be accompanied by their partners and dependants.

There's no mutual recognition of professional qualifications, although the deal provides a route for mutual recognition to be agreed by the parties in future. Existing mutual recognition of professional qualifications will end. The Withdrawal Agreement protects the mutual recognition of professional qualifications for UK citizens living in the EU, or EU citizens in the UK, before the end of the Transition Period.

In terms of social security, UK nationals travelling, working or living in the EU (and vice versa) will retain entitlements to some benefits, including state pensions, healthcare, disability benefits, unemployment benefits and maternity/ paternity benefits. Where eligible, UK nationals will be treated equally to EU nationals (and vice versa).

Fisheries - The UK's share of fishing quotas will increase by 25% of the value of the EU catch in UK waters. This will be phased in, with a gradual reduction of EU quotas in UK waters. EU fishing vessels will continue to have the current level of access to UK waters for an adjustment period of 5 ½ years. The agreed quota will set a new baseline for 2026 negotiations. After this initial adjustment phase, the UK and the EU will conduct annual fisheries negotiations regarding the Total Allowable Catch for shared stocks. These fisheries negotiations will **also cover market access arrangements**.

If EU fishing boats' access to UK waters is reduced in 5 ½ years' time, this could potentially lead to EU import tariffs on **all** UK fish. This linkage of access-to-waters to access-to-markets was ultimately a successfully negotiated EU objective and was against UK negotiating objectives.

Data - Data adequacy is **not** included in the agreement, although a joint declaration published alongside the deal makes clear that the EU will undertake an adequacy assessment.

The EU did not complete its adequacy assessments in time for the end of the Transition Period.

Instead it agreed to a temporary arrangement to allow data to continue being transferred from the EU to the UK from 1 January 2021. This will initially last for four months (which can be extended to six months). This will prevent the need for businesses transferring data from the EU to the UK having to rely on alternatives such as standard contractual clauses from 1 January.

EU programmes - The UK will continue to have access to a number of EU funding programmes. For example, UK science and research will be eligible for funding from the new Horizon Europe scheme, due to run from 2021 to 2027.

Further deal-related guidance issued by the UK Government and European Union:

[TCA SUMMARY PDF.pdf \(publishing.service.gov.uk\)](#)

[EU-UK Trade and Cooperation Agreement \(europa.eu\)](#)