Apportionment of tariff rate quotas included in the WTO schedule of the Union following the withdrawal of the United Kingdom from the Union

2018/0158(COD) - 22/05/2018 - Legislative proposal

PURPOSE: to allocate the tariff rate quotas included in the WTO schedule of the Union following the withdrawal of the United Kingdom from the Union.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: the UK's withdrawal from the EU has implications beyond the bilateral relationship between the EU and the UK, in particular with regard to their commitments under the Agreement Establishing the World Trade Organization (WTO). Both the EU and the UK are original Members of the WTO.

After Brexit, the EU will continue to apply its scheduled commitments for goods, but its existing quantitative commitments, in particular the tariff rate quotas for agricultural, fish and industrial products, will require adjustments to take into account the fact that **the EU's WTO schedule will no longer be applicable to the UK**.

In October 2017, the EU and the UK informed WTO members in a joint letter of their approach for apportioning the existing EU tariff quotas and began informal talks with partners. The proposed approach would provide for an **apportionment based on an objective methodology** reflecting existing levels of market access and trade flows under each tariff rate quota

This initiative is in line with the EUs ongoing actions to prepare for the withdrawal of the UK from the EU in an orderly manner, notably the joint EU-UK letter to the WTO Membership of 11 October 2017.

CONTENT: the proposed Regulation provides that the **tariff rate quotas** figuring in the EU’s WTO schedule of concessions and commitments will be apportioned between the EU and the UK as follows:

- as regards tariff rate quotas for agricultural products, the Union’s portion shall be as set out in Part A of the Annex to this Regulation;
- as regards tariff rate quotas for non-agricultural products, the Union’s portion shall be as set out in Part B of the Annex to this Regulation.

Part B of the Annex shall replace Annex 1 to Regulation (EC) No 32/2000, where these tariff rate quotas are currently listed.

The Commission may adopt delegated acts to amend the Annex to the proposed Regulation and Annex I to Regulation (EC) No 32/2000 in order to change the apportionment to cover for agreements concluded with trading partners in the meantime, for the case that following negotiations with trading partners it becomes evident that the mathematical application of the method used for the apportionment is not

appropriate for a specific tariff rate quota or for the case that other pertinent information relating to a specific tariff rate quota comes to the knowledge of the Commission at a later stage.

This Regulation should apply from the moment that Union's WTO schedule ceases to apply to the United Kingdom.