Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community

2018/0427(NLE) - 31/01/2020 - Final act

PURPOSE: conclusion of the Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community.

NON-LEGISLATIVE ACT: Council Decision (EU) 2020/135 on the conclusion of the Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community.

CONTENT: the Council adopted the decision on the conclusion of the withdrawal agreement on behalf of the EU. The Agreement sets out the arrangements for the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community and ensures an orderly withdrawal of the United Kingdom from the Union. It covers citizens' rights, the Financial Regulation, a transitional period, the protocols on Ireland and Northern Ireland, Cyprus and Gibraltar, governance and other separation issues.

The Withdrawal Agreement also contains a number of provisions on intellectual property, trademarks and designations of origin.

Withdrawal of the United Kingdom and transition period

The Withdrawal Agreement enters into force on the exit of the United Kingdom from the EU on 31 January 2020 at midnight CET. From that moment, the UK shall lose its status as an EU Member State and shall be considered as a third country. It shall mark the end of the period referred to in Article 50 of the TEU and the beginning of a transitional period until 31 December 2020. During the transition period, the United Kingdom shall continue to apply Union law, but shall no longer participate in the EU decision-making process and shall no longer be represented in the EU institutions. The transition period may be extended once for a maximum period of one or two years, if both parties agree before 1 July 2020.

Citizens' rights

The Withdrawal Agreement protects Union citizens who were resident in the United Kingdom and United Kingdom nationals who were resident in one of the 27 EU Member States at the end of the transitional period, where such residence is in accordance with Union law on freedom of movement.

Union citizens and United Kingdom nationals and their respective family members may continue to live, work or study as they do at present, under the same substantive conditions as under Union law, fully benefiting from the prohibition of discrimination on grounds of nationality and the right to equal treatment with nationals of the host State.

The substantive conditions of residence are and shall remain the same as those currently provided for under EU law on free movement. Persons covered by the withdrawal agreement shall have the right to take up paid employment or to exercise an economic activity as a self-employed person. They shall also retain all the rights they enjoy as workers under EU law.

As regards the rules on the coordination of social security systems, persons benefiting from the part of the Withdrawal Agreement dealing with citizens' rights shall retain their rights to health care, pension and other social security benefits.

Northern Ireland, Cyprus, Gibraltar

The Northern Ireland Protocol provides a legally operational solution to avoid a hard border on the island of Ireland, to protect the economy of the whole island and the Good Friday Agreement (or Belfast Agreement) in all its dimensions. The Agreement fully protects the integrity of the EU's single market and customs union and avoids regulatory and customs controls at the border between Ireland and Northern Ireland.

In the Ireland/Northern Ireland Protocol, the UK also commits itself not to reduce the duties set out in the 1998 Good Friday Agreement (Belfast Agreement) and to protect North-South cooperation. The Protocol provides for the possibility of maintaining the arrangements for the Common Travel Area between Ireland and the United Kingdom and safeguards the single market in electricity on the island of Ireland.

A so-called ‘consent mechanism’ will allow members of the Northern Ireland Assembly to have a decisive vote on the long-term application of relevant EU legislation in Northern Ireland.

The Agreement also contains:

- a Protocol on the Sovereign Base Areas in Cyprus, to protect the interests of Cypriots living and working in the Sovereign Base Areas following the withdrawal of the United Kingdom from the Union;

- a Protocol on Gibraltar, which provides for close cooperation between Spain and the United Kingdom on Gibraltar, as regards the implementation of the provisions of the withdrawal agreement relating to citizens' rights, and which covers administrative cooperation between the competent authorities in a number of policy areas.

Financial Regulations

The provisions of the Agreement ensure that the UK and the EU shall honour all financial obligations entered into while the UK was a member of the Union. Both parties have agreed on an objective method for meeting all joint commitments to the EU budget (2014-2020), including outstanding commitments at the end of 2020 and liabilities not covered by assets.

Trade policy

During the transition period, the United Kingdom shall comply with EU trade policy and shall continue to be bound by the exclusive competence of the Union, in particular as regards the common commercial policy. It shall conclude new agreements on its own in areas of exclusive competence of the Union, unless authorised to do so by the Union.

Governance

The Agreement shall include institutional arrangements to ensure the effective management, implementation and enforcement of the Agreement, including appropriate dispute settlement mechanisms.

In the event of a dispute over the interpretation of the withdrawal agreement, a first political consultation shall take place within a Joint Committee. If no solution is found, either Party may submit the dispute to binding arbitration. Where the dispute involves a question of Union law, the arbitration panel shall be obliged to refer the matter to the Court of Justice of the EU (CJEU) for binding ruling.

The CJEU shall remain the final authority on issues relating to Union law or concepts of Union law.

Future relations

In parallel to this Agreement, the Parties have drawn up a Political Declaration setting out the framework for future relations between the European Union and the United Kingdom of Great Britain and Northern Ireland. The Political Declaration provides for an ambitious duty-free and quota-free free trade agreement between the EU and the United Kingdom. It states that firm commitments respecting fair competition rules shall ensure open and fair competition.