



THE UNITED KINGDOM'S WITHDRAWAL FROM THE EUROPEAN UNION

COMMUNICATION FROM THE UNITED KINGDOM

The following communication, dated 1 February 2020, is being circulated at the request of delegation of the United Kingdom.

1 INTRODUCTION

1.1. The United Kingdom ceased to be a Member State of the European Union at 23.00 GMT on 31 January 2020. The United Kingdom has been, and will continue to be, a Member of the World Trade Organization and will represent its interests and uphold its obligations on that basis from that date.

1.2. The European Union and the United Kingdom have agreed a Withdrawal Agreement pursuant to Article 50 of the Treaty on European Union, which provides for a time-limited transition period during which European Union law, as modified by the Withdrawal Agreement, will apply to and in the United Kingdom (the "transition period"). The transition period will end at 23.00 GMT on 31 December 2020, and the United Kingdom has made clear that it will not seek an extension. The transition period provides continuity in the trading relationship between the United Kingdom and the European Union, and with other WTO Members, with the United Kingdom remaining part of the European Union's customs union and single market during that time. The Withdrawal Agreement also provides that, for the duration of the transition period, the United Kingdom is treated as a Member State of the European Union for the purpose of international agreements entered into by the European Union.^{1,2} The United Kingdom will continue to apply the European Union's Generalised Scheme of Preferences for the duration of the transition period and the provisions of the European Union's regional trade agreements will continue to apply to trade with the United Kingdom during this time.

1.3. To assist Members in their ongoing engagement with the United Kingdom, this note sets out some of the implications of the United Kingdom's departure from the European Union in the WTO.

2 UNITED KINGDOM: PREPARATIONS FOR EU EXIT IN THE WTO

2.1. The United Kingdom was a founding party to the GATT 1947, and is an original Member of the WTO, in its own right. However, as a Member State of the European Union, the United Kingdom's concessions and commitments on goods and concessions and specific commitments in services were

¹ The reference to international agreements encompasses international agreements concluded by the European Union, or by Member States acting on behalf of the European Union, or by the European Union and its Member States acting jointly. The same principles also apply to international arrangements and instruments without legally binding force entered into by the European Union.

² On 27 January 2020, the European Union issued a *note verbale* to the Director-General of the World Trade Organization and to third countries, notifying them that for the duration of the transition period, the United Kingdom is to be treated as a Member State of the European Union for the purpose of international agreements and arrangements. The annex to the *note verbale* issued to the Director-General was circulated to WTO Members in Document WT/Let/1462.

contained within the schedule of concessions and commitments for goods and schedule of concessions and specific commitments in services of the European Union.

2.2. On 24 July 2018 the United Kingdom's draft schedule of concessions and commitments for goods, draft Schedule XIX – United Kingdom, was circulated for certification in document G/MA/TAR/RS/570 under the Procedures for Modification and Rectification of Schedules of Tariff Concessions.³ The United Kingdom is continuing productive discussions with certain Members about aspects of that schedule. As part of that process, the United Kingdom has initiated a process under Article XXVIII GATT with respect to tariff rate quotas and the United Kingdom is currently taking forward negotiations and consultations with relevant Members.

2.3. On 3 December 2018 the United Kingdom's schedule of concessions and specific commitments in services and the United Kingdom's list of Article II GATS (MFN) exemptions was circulated for certification in document S/C/W/380 and S/C/W/381 under the relevant procedures.⁴ The period for objections to the certification of that schedule and list of Article II GATS (MFN) exemptions expired on 17 January 2019. The United Kingdom continues to consult with one Member under these procedures.

2.4. During the transition period, the United Kingdom will continue to be covered by the schedule of concessions and commitments on goods and the schedule of concessions and specific commitments in services of the European Union. The United Kingdom's Article II GATS exemptions will continue to be listed in the Article II (MFN) exemptions of the European Communities and their Member States (GATS/EL/31).

2.5. There are also a small number of other agreements, negotiated since the Marrakesh Agreement establishing the World Trade Organization, in which the United Kingdom has participated as a Member State of the European Union, but to which the United Kingdom was not party in its own right. These are: the Government Procurement Agreement (the 'GPA'), the Protocol Amending the Marrakesh Agreement (the 'Trade Facilitation Agreement'), the Protocol Amending the TRIPS Agreement (the 'TRIPS Amendment'), the 2015 Protocol to the Agreement on Trade in Civil Aircraft, the Ministerial Declaration on Trade in Information Technology Products ('ITA I') and the Ministerial Declaration on the Expansion of Trade in Information Technology Products ('ITA II'). For the duration of the transition period, the United Kingdom is treated as a Member State of the European Union for the purpose of these agreements and arrangements. Upon the expiry of the transition period, the United Kingdom will confirm its continued acceptance of these agreements and arrangements.

2.6. Regarding the GPA specifically, the Committee on Government Procurement agreed, by means of a Decision adopted on 27 February 2019⁵, as reaffirmed by the Decision adopted on 26 June 2019⁶, that the United Kingdom shall continue to be covered by the GPA until the expiration of the transition period between the United Kingdom and the European Union. The United Kingdom looks forward to complying with the obligations under those Decisions in relation to assuming independent Membership of the GPA at the end of the transition period.

2.7. Consistent with the principles of the Withdrawal Agreement, for the duration of the transition period, the United Kingdom will also continue to be treated as a Member State of the European Union for the purpose of ongoing WTO disputes to which the European Union is a party.

³ Decision of 26 March 1980, Document L/4926.

⁴ The United Kingdom's schedules of concessions and specific commitments in services were circulated for certification pursuant to the Procedures for the Certification of Rectifications or Improvements to Schedules of Specific Commitments adopted by the Council for Trade in Services on 14 April 2000, Document S/L/84. The United Kingdom's list of Article II GATS (MFN) exemptions were circulated for certification pursuant to the Procedures for the Certification of Terminations, Reductions and Rectifications of Article II (MFN) exemptions adopted by the Council for Trade in Services on 5 June 2002, Document S/L/106.

⁵ Decision of the Committee on Government Procurement dated 27 February 2019, Document GPA/CD/2.

⁶ Decision of the Committee on Government Procurement dated 26 June 2019, Document GPA/CD/2/Add.1.

2.8. The United Kingdom would like to place on record its appreciation to all WTO Members and parties to the GPA, and to the Director-General and the WTO Secretariat, for their support and engagement in the processes set out above. The United Kingdom is committed to continuing to work closely with Members on these important issues.

3 THE UNITED KINGDOM'S ENGAGEMENT IN THE WTO

3.1. The United Kingdom has always been a strong supporter of the multilateral trading system. In recent years, the United Kingdom has played an active role in support of the system as a Member State of the European Union, including supporting the Trade Facilitation Agreement, the Ministerial Declaration on the Expansion of Trade in Information Technology Products ('ITA II'), the Ministerial Decision of 19 December 2015 on Export Competition, the launch of critical mass initiatives at the Ninth, Tenth and Eleventh Ministerial Conferences respectively, and as an active aid for trade partner.

3.2. In 2020, the United Kingdom will work to support efforts to strengthen the multilateral rules-based trading system, and to modernise the WTO. That will include contributing to a substantive and meaningful set of outcomes at the Twelfth Ministerial Conference in Nur-Sultan and working to restore the full functioning of the dispute settlement system. More widely, the United Kingdom will seek to participate in and initiate discussions in the WTO on issues of particular relevance to the United Kingdom and the global economy today, not least in advance of the United Kingdom's Presidency of the G7 in 2021.

3.3. The United Kingdom has also long been a strong believer in the role of the multilateral trading system to unlock growth, reduce poverty and open markets, and a champion for developing countries in the WTO through its aid-for-trade portfolio. The United Kingdom looks forward to continuing to partner with developing country Members to strengthen their engagement at the WTO and increase their integration into world trade.

3.4. With respect to its future trade regime, the United Kingdom is committed to meeting its obligations to other Members and to making itself available to answer any questions that Members might have.

3.5. The United Kingdom looks forward to engaging with all WTO Members, in our collective efforts to strengthen the multilateral trading system.
