



## BRIEFING PAPER

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# The UK-EU future relationship negotiations: summary of positions

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## 1. UK and EU negotiating positions

The EU and UK agreed a [Political Declaration \(PD\)](#) setting out the framework for the future EU-UK relationship, alongside the [Withdrawal Agreement \(WA\)](#), on 17 October 2019. The October PD and WA revised the earlier PD and WA texts agreed by Theresa May's Government and the EU in November 2018.

Unlike the WA, the PD is a non-binding document and did not require ratification by either party. It set out parameters for the negotiations, based on a set of joint commitments covering both an economic and security partnership and accompanying governance arrangements. See the [Commons Library Briefing Paper on the PD](#).

The EU's negotiating position was set out in the [directives adopted by the Council of the EU](#) on the 25 February. This was based largely on the [proposed directives](#) presented by the European Commission on 3 February, although there were some amendments following consideration by the Member States. The EU's position on certain key principles for the negotiations was also clear from earlier statements by the President of the European Commission, [Ursula von der Leyen](#), and chief negotiator [Michel Barnier](#). Slides published by the Commission in January 2020, and materials [published by the Commission](#) to accompany the draft directives on 3 February, also provided more detail.

The UK Government published a [command paper](#) setting out its approach on 27 February. This elaborated on positions previously set out in a House of Commons [written statement](#) by the Prime Minister on 3 February. Speeches by the [Prime Minister](#) on 3 February and the UK chief negotiator [David Frost](#) on 17 February, and the [statement](#) by the Chancellor of the Duchy of Lancaster Michael Gove following the publication of the command paper on 27 February also provided more context and detail on the Government's position.

The UK and EU positions going into the negotiations were summarised in the House of Commons Library briefing paper 8834, [The UK-EU future relationship negotiations: process and issues](#).

The European Commission published a [draft future relationship treaty](#) on 18 March which provides more clarity and detail on its position. The UK has also tabled treaty texts covering the suite of agreements it is proposing. These were published on 19 May.

The positions of the UK and EU in the negotiations, based on the publicly available documents and statements prior to publication of the UK texts on 19 May, are summarised in the following tables.

## 2 The UK-EU future relationship negotiations: summary of positions

UK and EU negotiating positions		
Topic	UK Negotiating Position	EU Negotiating Position
<b>Trade in Goods</b>	<p>The UK seeks a comprehensive free trade agreement, covering substantially all trade, similar to the EU-Canada agreement, but the UK-EU FTA would involve zero tariffs, no charges or quantitative restrictions, and modern (bespoke) rules of origin. The agreement should enable customs and trade facilitation. The UK is seeking regulatory autonomy from the EU allowing it to set its own regulatory standards. It prefers broad mutual recognition of conformity assessment which would allow UK-based notified bodies to certify products to EU standards.</p>	<p>The EU is offering a “zero tariffs, zero quotas, zero dumping” FTA (provided UK agrees to level playing field guarantees and a fisheries agreement). Customs formalities will apply between the UK and the EU and access to the EU market will be subject to certification and market authorisation and supervision activities. The EU’s standard approach to rules of origin will apply. There will be no harmonisation or mutual recognition of rules. EU aims to negotiate on trade remedies, customs facilitation, technical barriers to trade, and sanitary and phytosanitary (SPS) rules, making reference to WTO rules in all these areas.</p>
<b>Level Playing Field</b>	<p>The UK will not agree to measures beyond those typically included in a comprehensive free trade agreement. The UK and EU should recognise their respective commitments to maintaining high standards in these areas; confirm that they will uphold their international obligations; and agree to avoid using measures in these areas to distort trade.</p> <p>The UK has proposed FTA chapters on environmental and labour standards with reciprocal commitments not to weaken protections, and on subsidies (reciprocal commitments to transparency), competition policy (commitments to main effective competition laws) and tax policy (commitments to good tax governance). In line with precedents in other EU FTAs the provisions should not be subject to the FTA’s dispute resolution mechanism. Climate change would be covered by a separate agreement on energy.</p>	<p>The EU will not agree zero tariffs, zero quotas FTA without strong LPF guarantees, viewed as necessary due to geographic proximity, volume of trade and economic interconnectedness. The EU is seeking legally binding commitment to uphold corresponding high standards over time, with EU standards as a reference point. This would involve continued application of current and future EU rules (dynamic alignment) on state aid and non-regression on aspects of tax, labour and social protection, environment and climate change and health and sanitary quality in the agriculture and food sector.</p> <p>Non-regression would mean that the level of protection in these areas should not be reduced from common standards applicable within the EU and UK at the end of the transition period. In addition, the EU proposes giving the governing body powers to modify the commitments to reflect evolving standards in most areas of LPF. Commitments would be subject to strong enforcement mechanisms domestically and dispute settlement within the treaty governance framework.</p>
<b>Fisheries</b>	<p>UK position has consistently been that fisheries and trade should not be linked during the negotiations. There should be a separate fisheries agreement that would provide a framework for fishing opportunities and access to waters to be negotiated annually. Future fishing opportunities would be based on the principle of zonal attachment, similar to the EU’s fisheries agreement with Norway. Trade in fisheries products would be covered by the free trade agreement, but the agreement on fisheries would be separate to the free trade agreement.</p>	<p>EU position has consistently been that trade and fisheries should be linked and there should be little change to current quota share. The EU wants any agreement to “uphold continued reciprocal access” to fishing waters and “uphold stable quota shares”. Existing quota shares would only be amended with agreement of both parties. Failure to comply would lead to imposition of tariffs. The EU position is that it will not agree a wider free trade agreement without an agreement on fisheries.</p>

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<b>Trade in Services</b>	UK seeks an FTA on trade in services and investment at least as good as existing EU FTAs. Envisages regulatory cooperation across a wide range of services sectors. Trade liberalisation could go further in areas like professional and business services. UK priorities include digital trade, temporary business travel for natural persons (Mode 4), and a pathway to mutual recognition of professional qualifications. This would include audio-visual services.	EU seeks an FTA that goes beyond its WTO commitments on services and investment on a par with its recent FTAs. It proposes regulatory cooperation to promote transparency, efficiency and compatibility of rules. EU priorities include digital trade, temporary business travel for natural persons (Mode 4) and a framework for mutual recognition of professional qualifications where this is in the EU's interest. Will exclude audio-visual services altogether.
<b>Financial Services</b>	Market access for financial services will be based on unilateral equivalence decisions that allow mutual recognition of specific activities and types of financial services. The UK proposes that the agreement should promote financial stability, market integrity, and investor and consumer protection for financial services. The UK also seeks enhanced provision for regulatory and supervisory cooperation, and a "structured processes for the withdrawal of equivalence findings", involving consultation and warnings if decisions were going to change.	Market access for financial services will be based on unilateral equivalence decisions with regard to specific activities and types of financial services. The EU emphasises the unilateral nature of its equivalence decisions, while noting that transparency and appropriate consultation with the UK is important. The EU has highlighted the importance of UK financial services regulation remaining closely aligned with the EU in order for equivalence to be maintained.
<b>Sanitary and Phytosanitary (SPS) measures</b>	UK seeks measures that build on the WTO SPS agreement. Each party should have autonomy over its own SPS regime. Calls for standard FTA equivalence mechanisms for SPS measures, based on recent EU FTAs such as with Canada or the EU-New Zealand Veterinary Agreement. This would allow agri-food goods to be subject to reduced border checks and possibly simplified certification.	EU seeks measures that build on and go beyond the WTO SPS Agreement. The future relationship needs to respect the EU's use of the precautionary principle as set out in the Treaty on the functioning of the EU – but the UK is not obliged to operate the precautionary principle in the same way. Systematic control on food safety standards will "fully apply to imported food, animals and plants without exceptions or equivalency".
<b>Climate change</b>	The UK does not include climate change within its proposals for a comprehensive free trade agreement. Instead climate change and carbon trading are included under a separate proposed agreement on energy (see Energy below). The UK proposes the parties reaffirm their commitments under the Paris Agreement; and is open to considering a link between any future UK emissions trading system (ETS) and the EU ETS, subject to certain conditions.	The EU includes the fight against climate change as an "essential element" of the partnership as well as within the EU's LPF provisions. The EU proposes that the parties "respect the Paris Agreement and the process set by the UNFCCC" and refrain from any acts of omissions that would undermine its adherence to or materially defeat the object and purpose of the Paris Agreement. Under the LPF provisions, the EU requires the parties to commit to non-regression of "climate protection" measures including emissions from industrial installations, transport, land use, forestry and agriculture. The EU would require the UK to implement a system of carbon pricing of at least the same scope and effectiveness of, and possibly linked to, the EU ETS.

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<b>Public procurement</b>	The UK offer does not include public procurement. The relationship would be based on the WTO Agreement on Government Procurement.	The EU is offering to go beyond the commitments on public procurement in the WTO Agreement on Government Procurement. For example, it proposes to include local government procurement, and provisions on transparency, national treatment, environmental, social and labour considerations. This would reduce the gap between the current EU procurement regime and the WTO GPA commitments.
<b>Mobility</b>	The UK is ready to work to establish practical reciprocal provisions on social security co-ordination, possibly also providing for health care cover for tourists, business visitors and service providers. These arrangements would also support mobility for those working across borders.	EU is seeking non-discriminatory arrangements covering visa-free travel for short stays, entry and stays for research, study, training and youth exchange purposes, and social security coordination for those moving after the transition period
<b>Geographical Indications</b>	The UK will keep its approach to GIs under review as negotiations with the EU and other trade partners progress. Any agreement on GIs “must respect the rights of both parties to set their own rules on GIs and the future directions of their respective schemes”.	The envisaged partnership should provide for protection of intellectual property rights beyond WTO and related rules. Current high levels of protection should be preserved. Protection for existing geographical indications as already covered by the Withdrawal Agreement should be preserved. There should also be a mechanism for the protection of future geographical indications.
<b>Transport</b>	<p>For aviation, the UK wants two separate agreements: a Comprehensive Air Transport Agreement (CATA) and a Bilateral Aviation Safety Agreement (BASA), to include traffic rights for UK and EU airlines to operate passenger, all-cargo and charter services between points in the UK and points in the EU without restrictions on frequency or capacity; and mutual acceptance of safety and other certification processes where possible and to limit the duplication of recertification or retesting assessments.</p> <p>On road haulage, the UK states that “UK and EU road transport operators should be entitled to provide services to, from and through each other’s territories”.</p>	<p>The EU envisages a comprehensive agreement with the UK for the aviation sector that covers basic point-to-point travel—for example, from the EU to the UK and vice versa—along with providing for “fifth freedom rights” if balanced with “corresponding obligations”. Fifth freedom rights include flight stops in the territory of a Member State en-route to another third state. The EU’s mandate is silent on “cabotage” and “grand cabotage” (the ability to fly within, and between, the territory of Member States).</p> <p>On road haulage, the EU is clear that UK hauliers should not be granted the same level of rights and benefits as those enjoyed by EU hauliers when travelling from one Member State to another, or within the territory of a Member State.</p>
<b>Energy</b>	The UK is open to an agreement with the EU covering energy trading over the interconnectors between the UK and the EU, carbon pricing and international climate change agreements (see climate change above).	On electricity and gas trading, the EU states clearly that the UK will leave the internal energy market. The EU directives refer to further areas to include in the partnership that are not mentioned by the UK, such as investment in renewable and energy efficiency technologies, and measures to maintain competitive markets.

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<b>Civil nuclear co-operation</b>	<p>The UK and European Atomic Energy Community (Euratom) should conclude a Nuclear Cooperation Agreement for cooperation on civil nuclear matters. This should cover compliance with international nuclear safeguards, safety and security standards, and facilitate nuclear trade. The NCA should deliver provisions on safeguards, nuclear transfer, nuclear research, the supply of medical radioisotopes, and information sharing and technical cooperation.</p>	<p>The EU seeks wide-ranging cooperation between Euratom and the UK on “peaceful uses of nuclear energy”. In addition to respecting international conventions and treaties, the provision on nuclear cooperation should also facilitate trade in nuclear materials and equipment, research and development, transfer of nuclear technology, and information exchange including in relation to safeguards, safety, radioactivity in the environment, the supply of medical radioisotopes, and facilitating exchanges of skilled workers.</p>
<b>Participation in EU programmes</b>	<p>The UK is ready to consider third country participation in certain EU programmes where in the UK and EU interest, including Horizon Europe, Euratom Research and Training, and Copernicus. The UK will consider options for participation in elements of Erasmus+ “on a time limited basis, provided the terms are in the UK’s interests”. Agreements for participation in EU programmes should contain fair terms for the UK, including a fair and appropriate financial contribution.</p>	<p>Envisaged partnership should establish rules for UK participation in the EU programmes in areas such as science and innovation, youth, culture and education and development and international co-operation. The EU will develop the “general principles, terms and conditions” under which the UK can participate in these programmes now that it is no longer a Member State, subject to the rules set out for third country participation in each programme. This will include a participation fee and operational financial contribution.</p>
<b>Law enforcement and judicial co-operation in criminal matters</b>	<p>The UK proposes a separate agreement covering arrangements that support data exchange for law enforcement purposes; operational cooperation between law enforcement authorities; and judicial cooperation in criminal matters. The UK is seeking access to Europol and Schengen databases, and expanded passenger record data. The proposed agreement would have a separate and appropriate governance structure and “must not constrain the autonomy of the UK’s legal system in any way”. It “should not provide any role for the CJEU in resolving UK-EU disputes” or “specify how the UK or the EU Member States should protect and enforce human rights and the rule of law within their own autonomous legal systems”.</p> <p>The UK is also open to separate agreements regulating migrant and asylum-seeker returns and facilitating family reunion of unaccompanied minors, and on security of information.</p>	<p>The EU seeks close law enforcement co-operation as part of comprehensive security partnership. This would involve arrangements for exchange of data on passenger records (PNR) and criminals and suspects (Prüm); and other law enforcement information exchange. It would also cover cooperation through Eurojust and Europol, in line with other third countries; streamlined extradition arrangements; and mutual legal assistance and criminal records information exchange going beyond Council of Europe Conventions. Co-operation would also involve support for international efforts to combat money laundering and terrorist financing.</p> <p>Co-operation on law enforcement and judicial co-operation would be conditional on UK adherence to the ECHR as well as continuing UK domestic law allowing citizens to invoke it in UK courts (i.e. the Human Rights Act 1998). The EU also envisages thematic cooperation on irregular migration, including its causes and consequences.</p>

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<b>Foreign affairs and defence</b>	The UK view is that cooperation on foreign affairs and related issues does not require a joint treaty framework	<p>The EU wants a security partnership within the overarching treaty framework which also covers foreign affairs and defence co-operation. The EU seeks close co-operation on external actions, including structured co-operation and consultation. This would also involve alignment on the application of sanctions, co-operation in international organisations and on consular protection, and UK involvement in EU international development programmes. The partnership should enable the UK to co-operate with the EU where interests coincide, while preserving the autonomy of EU decision-making. The UK would be invited to participate on a case by case basis in EU defence missions or in EU defence industry projects. Intelligence exchanges should take place on a voluntary basis.</p>
<b>Governance</b>	The UK favours a suite of agreements including a free trade agreement, and separate agreements on fisheries, internal security, aviation, energy, civil nuclear cooperation etc. These should all have governance and dispute settlement arrangements "appropriate to a relationship of sovereign equals" and similar to the EU's agreements with other countries. These will reflect the regulatory, judicial and legal autonomy of the UK, with no role for the CJEU in the dispute resolution mechanism.	<p>The EU proposes a comprehensive partnership with an overarching institutional framework, covering all areas of future economic and security co-operation. This will involve supervision by a joint EU-UK governing body. Dispute resolution would firstly involve consultations in the joint governing body with possible recourse to an independent arbitration panel.</p> <p>The CJEU would have a role if a concept of EU law has to be interpreted by the arbitration panel but not beyond that. The arbitration panel would be able to make binding decisions. The parties would be able to request financial compensation or suspend obligations within the agreement in the case of non-compliance. The EU seeks safeguard provisions whereby either party can unilaterally disapply parts of the agreement where defined emergencies take place—with provision for the other party to retaliate by disapplying parts of the agreement itself.</p>

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