

14 November 2018

TF50 (2018) 56 – Commission to EU27

Subject: **Outline of the political declaration** setting out the framework for the future relationship between the European Union and the United Kingdom of Great Britain and Northern Ireland, as agreed at negotiators' level on 14 November 2018.

Origin: European Commission, Task Force for the Preparation and Conduct of the Negotiations with the United Kingdom under Article 50 TEU.

Objective: Sent to the EU27 Member States, to the Brexit Steering Group of the European Parliament and published on the TF50 website on 14 November 2018.

OUTLINE OF THE POLITICAL DECLARATION SETTING OUT THE FRAMEWORK FOR THE FUTURE RELATIONSHIP BETWEEN THE EUROPEAN UNION AND THE UNITED KINGDOM

PART I: INITIAL PROVISIONS

BASIS FOR COOPERATION

- Shared values including the respect for human rights and fundamental freedoms, democratic principles, the rule of law and support for non-proliferation, as essential prerequisites for the future relationship. Reaffirmation of the United Kingdom's commitment to the European Convention on Human Rights (ECHR), and the Union's and its Member States' to the Charter of Fundamental Rights of the Union. Support for effective multilateralism.
- Commitment to a high level of personal data protection. Commencement of the Commission's assessments of the United Kingdom's standards on the basis of the Union's adequacy framework, endeavouring to adopt decisions by the end of 2020. In the same timeframe, the United Kingdom will take steps to ensure comparable facilitation of personal data flows to the Union. Appropriate cooperation between regulators.
- Terms for the United Kingdom's participation in Union programmes, subject to the conditions set out in the corresponding Union instruments, such as in science and innovation, culture and education, development, defence capabilities, civil protection and space.
- Dialogue and exchanges in areas of shared interest, with the view to identifying opportunities to cooperate, share best practice and act together.

PART II: ECONOMIC PARTNERSHIP

GOODS

- Comprehensive arrangements creating a free trade area combining deep regulatory and customs cooperation, underpinned by provisions ensuring a level playing field for open and fair competition as described below.
- Zero tariffs, no fees, charges or quantitative restrictions across all goods sectors, with ambitious customs arrangements that build on the single customs territory provided for in the Withdrawal Agreement, respecting the Parties' legal orders.
- Extent of the United Kingdom's commitments on customs and regulatory cooperation, including with regard to alignment of rules, to be taken into account in the application of checks and controls at the border.
- In this context, recalling the Union's and the United Kingdom's intention to replace the backstop solution on Northern Ireland by a subsequent agreement that establishes alternative arrangements for ensuring the absence of a hard border on the island of Ireland on a permanent footing.

SERVICES AND INVESTMENT

- Ambitious, comprehensive and balanced arrangements on trade in services and investment, delivering a level of liberalisation in trade in services well beyond the Parties' WTO commitments, and in line with Article V of the General Agreement on Trade in Services, with substantial sectoral coverage, covering all modes of supply and providing for the absence of substantially all discrimination in the covered sectors, with exceptions and limitations as appropriate.
- Provisions on market access and national treatment under host state rules, ensuring that the Parties' services providers and investors are treated in a non-discriminatory manner, including with regard to establishment. While preserving regulatory autonomy, provisions to promote regulatory approaches that are transparent, efficient, compatible to the extent possible, and which promote avoidance of unnecessary regulatory requirements.
- Appropriate arrangements on professional qualifications.
- Provisions to enable free movement of capital and payments related to transactions liberalised under the economic partnership, subject to relevant exceptions.

FINANCIAL SERVICES

- Commitments to preserving financial stability, market integrity, investor protection and fair competition, while respecting the Parties' regulatory and decision-making autonomy, and their ability to take equivalence decisions in their own interest. This is without prejudice to the Parties' ability to adopt or maintain any measure where necessary for prudential reasons.
- Commencement of equivalence assessments by both Parties as soon as possible after the United Kingdom's withdrawal from the Union, endeavouring to conclude these assessments before the end of June 2020.
- Close and structured cooperation on regulatory and supervisory matters, grounded in the economic partnership and based on the principles of regulatory autonomy, transparency and stability, recognising this is in the Parties' mutual interest.

DIGITAL

- Provisions to facilitate electronic commerce and cross-border data flows, address unjustified barriers to trade by electronic means, and ensure an open, secure and trustworthy online environment, with a bilateral dialogue and joint work in multilateral and multistakeholder forums, while not affecting the Parties' data protection rules.

INTELLECTUAL PROPERTY / PUBLIC PROCUREMENT

- Protection and enforcement of intellectual property rights beyond multilateral treaties to stimulate innovation, creativity and economic activity.

- Mutual opportunities in the Parties' respective public procurement markets beyond their commitments under the WTO Government Procurement Agreement, without prejudice to their domestic rules to protect their essential security interests, and standards on transparency and procedures.

MOBILITY

- Arrangements on temporary entry and stay of natural persons for business purposes in defined areas.
- Other aspects of mobility, based on non-discrimination between the Union's Member States and reciprocity, including visa-free travel for short-term visits.

TRANSPORT

- Comprehensive Air Transport Agreement, covering market access and investment, aviation safety and security, air traffic management and provisions to ensure open and fair competition.
- Comparable market access for freight and passenger road transport operators, underpinned by relevant existing international obligations to ensure open and fair competition, with consideration of complementary arrangements to address travel by private motorists.
- Acknowledgement of the intention of the United Kingdom and relevant Member States, in line with Union law, to make bilateral arrangements for cross-border rail services.
- Connectivity in the maritime transport sector, underpinned by the applicable international legal framework, with appropriate arrangements for cooperation on maritime safety and security.

ENERGY

- Framework to facilitate technical cooperation between electricity and gas networks operators and organisations in the planning and use of energy infrastructure connecting the Parties' systems, and mechanisms to ensure security of supply and efficient trade over interconnectors over different timeframes. Consideration of cooperation on carbon pricing by linking a United Kingdom national greenhouse gas emissions trading system with the Union's Emissions Trading System.
- Wide-ranging Nuclear Cooperation Agreement between the European Atomic Energy Community (EURATOM) and the United Kingdom, underpinned by commitments to existing high standards of nuclear safety. Timely reassessment of authorisations and EURATOM Supply Agency approvals of contracts for the supply of nuclear material. Cooperation through the exchange of information on the supply of medical radioisotopes.

FISHING OPPORTUNITIES

- Cooperation bilaterally and internationally to ensure fishing at sustainable levels, promote resource conservation, and foster a clean, healthy and productive marine environment, noting that the United Kingdom will be an independent coastal state. While preserving regulatory

autonomy, cooperation on the development of measures for the conservation, rational management and regulation of fisheries, in a non-discriminatory manner. Close working with other coastal states and in international fora, including to manage shared stocks.

- Within the context of the overall economic partnership, establishment of a new fisheries agreement on, *inter alia*, access to waters and quota shares, to be in place in time to be used for determining fishing opportunities for the first year after the transition period.

GLOBAL COOPERATION

- Cooperation, including in international fora, such as in the areas of climate change, sustainable development, cross-border pollution, trade protectionism and financial stability.
- Reaffirmation of the Parties' commitments to international agreements to tackle climate change, including those which implement the United Nations Framework Conventions on Climate Change, such as the Paris Agreement.

LEVEL PLAYING FIELD FOR OPEN AND FAIR COMPETITION

- Competition must be open and fair. Provisions to ensure this should cover state aid, competition, social and employment standards, environmental standards, climate change and relevant tax matters, building on the level playing field arrangements provided for in the Withdrawal Agreement and commensurate with the overall economic relationship.

PART III: SECURITY PARTNERSHIP

LAW ENFORCEMENT AND JUDICIAL COOPERATION IN CRIMINAL MATTERS

- Comprehensive, close, balanced and reciprocal law enforcement and judicial cooperation in criminal matters, with the view to delivering strong operational capabilities for the purposes of the prevention, investigation, detection and prosecution of criminal offences, taking into account the shared and evolving threats the Parties face, the mutual benefits to the safety and security of their citizens, and the fact that the United Kingdom will be a non-Schengen third country that does not provide for the free movement of persons.
- Scale and scope of future arrangements reflecting the commitments the United Kingdom is willing to make that respect the integrity of the Union's legal order, such as with regard to alignment of rules and the mechanisms for disputes and enforcement including the role of the Court of Justice of the European Union, underpinned by long-standing commitments to the fundamental rights of individuals, including continued adherence to the ECHR and its system of enforcement, and adequate protection of personal data, which are both essential prerequisites for enabling the cooperation envisaged by the Parties, and to the *ne bis in idem* principle and procedural rights.
- Noting these commitments, reciprocal arrangements for timely, effective and efficient exchanges of Passenger Name Record (PNR) data and results of processing of such data stored in respective national PNR processing systems, and of DNA, fingerprints and vehicle registration data (Prüm).

- In addition, swift and effective arrangements enabling the United Kingdom and Member States to extradite suspected and convicted persons efficiently and expeditiously, with the possibility to waive the requirement of double criminality, and to determine the applicability of these arrangements to own nationals and for political offences.
- Consideration of further arrangements appropriate to the United Kingdom's future status for data exchange and practical cooperation between law enforcement authorities, and between judicial authorities in criminal matters, such as exchange of information on wanted or missing persons and of criminal records, with the view to delivering capabilities that, in so far as is technically and legally possible, and considered necessary and in both Parties' interests, approximate those enabled by relevant Union mechanisms.
- Terms for the United Kingdom's cooperation via Europol and Eurojust.
- Support of international efforts to prevent and fight against money laundering and terrorist financing, particularly through compliance with Financial Action Task Force standards and associated cooperation, with the Parties going beyond those standards with regard to beneficial ownership transparency and ending the anonymity associated with the use of virtual currencies.

FOREIGN POLICY, SECURITY AND DEFENCE

- Close, flexible and scalable cooperation on external action at the bilateral and international level, ensuring that the UK can combine efforts with the Union to the greatest effect, including in times of crisis or when serious incidents occur, respecting the autonomy of both Parties.
- Structured consultation and regular thematic dialogues at various levels, and invitations for the United Kingdom to participate in informal sessions of the Union's Council meetings where appropriate.
- Cooperation in third countries, including on consular provision and protection, and in international organisations and fora, notably in the United Nations. Possibility to support each other's positions where relevant, including through agreed statements, demarches and shared positions.
- Consultation on sanctions, with intensified exchange of information where foreign policy objectives are aligned, with the possibility of adopting mutually reinforcing sanctions.
- Participation by the United Kingdom on a case-by-case basis in Common Security and Defence Policy missions and operations through a Framework Participation Agreement, with intensified interaction at relevant planning stages, proportionate to the level of the United Kingdom's contribution.
- Collaboration by the United Kingdom in relevant current and future projects of the European Defence Agency through an Administrative Arrangement, participation of United Kingdom entities in European Defence Fund supported projects, and collaboration by the United Kingdom in Permanent Structured Cooperation projects where invited on an exceptional basis, under the conditions in Union law.

- Timely exchange of intelligence between the United Kingdom and relevant Union bodies.
- Consideration of appropriate arrangements on space cooperation, including satellite navigation, where in the Parties' mutual interest.

THEMATIC COOPERATION

- Promotion of security and stability in cyberspace through increased international cooperation and the exchange of information on a timely basis, including the United Kingdom's participation in relevant cyber security activities of the Union, and a cyber dialogue.
- Cooperation on counter-terrorism, countering violent extremism and emerging threats through dialogue, sharing best practices, operational cooperation and reciprocal voluntary information exchange.
- Cooperation to tackle illegal migration through operational cooperation, dialogue, cooperation in third countries and in international fora.
- Cooperation in the field of civil protection in respect of natural or manmade disasters, enabled by the United Kingdom's participation in the Union's Civil Protection Mechanism as a Participating State.
- Cooperation in matters of health security in line with existing Union arrangements with third countries, and in international fora.

CLASSIFIED AND SENSITIVE NON-CLASSIFIED INFORMATION

- Security of Information Agreement, with guarantees on the handling and protection of classified information, alongside any necessary provisions on sensitive non-classified information.

PART IV: INSTITUTIONAL ARRANGEMENTS

STRUCTURE

- Future relationship based on an overarching institutional framework, with the possibility for specific governance arrangements in individual areas. Possibility to review the relationship.

GOVERNANCE

- Mechanisms for dialogue at summit, ministerial, technical and parliamentary levels.
- Robust, efficient and effective arrangements for the setting of strategic direction, for the management, supervision, implementation and development over time of the future relationship, for the resolution of disputes and enforcement, and safeguard provisions, in full respect of the Parties' own legal orders, and based on the arrangements for dispute settlement and enforcement provided for in the Withdrawal Agreement.

PART V: FORWARD PROCESS

- Following the conclusion of the Withdrawal Agreement between the Parties but prior to the United Kingdom's withdrawal from the Union, the Parties will engage in preparatory organisational work with the aim of enabling rapid commencement of negotiations.
- In accordance with Article 184 of the Withdrawal Agreement, commencement of the formal process of negotiations as soon as possible after the entry into force of the Withdrawal Agreement, using best endeavours to ensure the necessary steps are taken so that the future relationship can take effect by the end of 2020, noting the Parties' commitment in the Withdrawal Agreement to develop the necessary legal agreements in good faith and expeditiously.
- Intention to develop, at the beginning of these negotiations, a clear programme to deliver this ambitious timetable, incorporating regular review points for negotiators at which they will report publically on their progress. The Union and the United Kingdom will convene a high level conference at least every six months to take stock of progress.