



# Brexit: What Just Happened?

*Nicole Busby*

*Maria Fletcher*



# Introduction

## **The UK-EU Trade and Cooperation Agreement**

- Agreed 24<sup>th</sup> December 2020
- Took effect from 23.00 GMT on 31 December 2020
- contains new rules for how the UK and EU will live, work and trade together - still lots of details to be worked out.
- Up until the end of the transition period companies could buy and sell goods across EU borders without paying taxes (tariffs) and there were no limits (quotas) on the amount of things which could be traded.
- The deal largely preserves that position from 1 January, but to prevent unfair advantage, both sides have agreed shared rules and standards.

# What's in the UK-EU Trade and Cooperation Agreement?

## Trade

- No tariffs charged on goods or quotas imposed on the amount that can be traded between the UK and the EU from 1 January 2021
- New checks introduced at EU borders, including safety checks and customs declarations.
- Possibility of tariffs in the future
- New restrictions on UK animal food products
- Administrative charges payable by UK exporters

# Services, Education and Qualifications

## Services

- Loss of automatic right of access to EU markets

## Qualifications

- No automatic recognition but discussions to continue on this

## Universities

- Erasmus exchange programme to be replaced by Turing Scheme

# Travel

- Freedom to live and work in the EU has ended.
- Schengen countries (most EU member states and Iceland, Norway, Switzerland and Liechtenstein) - UK nationals will now require a visa for stays of longer than 90 days in any 180-day period.
- Bulgaria, Croatia, Cyprus and Romania have different rules.
- From 2022, UK nationals will have to pay for a visa-waiver scheme in order to visit many European countries.
- European Health Insurance Cards, (EHIC) cards will be replaced with a new UK Global Health Insurance Card.
- Roaming charges may apply.
- EU pet passports no longer valid.

# Fishing

- Until 2026, the UK will gradually gain a greater share of the fish from its own waters.
- The UK could choose to ban EU fishing boats from UK waters from 2026, but the EU would be allowed to introduce taxes on British fish in response.
- The Scottish Fishermen's Federation has complained that the deal does not give the UK enough control of its waters.
- The issue is far from resolved and regular talks on fishing access will resume in 2026.

# Dispute Resolution

- The Court of Justice of the EU (ECJ) will have no jurisdiction in the UK.
- The ECJ could still have a role in Northern Ireland because it continues to follow some EU trade rules.
- Disputes between the UK and the EU will be referred to an independent tribunal.
- Although the UK and EU have agreed to the same rules now, they don't have to be identical in the future.
- If one side takes exception to the changes, this can trigger a dispute which could ultimately lead to tariffs being imposed on some goods in the future.

# Security and Data

- The UK will no longer have automatic access to key security databases but can gain access upon request.
- The UK will not be a member of the EU's law enforcement agency, Europol, but it will have a presence at its headquarters.
- The UK is no longer obliged to comply with EU standards of data protection, but data will continue to be exchanged in the same way for at least four months as long as the UK doesn't change its data protection rules.
- Many of the rules about storing and processing data still need to be decided.

# Northern Ireland

- NI will continue to follow many of the EU's rules in order to avoid a hardening of its border with the Republic of Ireland.
- New checks have been introduced on goods entering Northern Ireland from the rest of the UK.
- Supermarkets given an initial three-month "grace period" where the rules will not be enforced on the food they bring into NI.
- Certain meat products will have a longer, six-month grace period.
- What happens after this period is unclear and will be the subject of future negotiations.
- An agreement has been reached to eliminate tariffs for most trade between GB and Northern Ireland. Some new paperwork will nevertheless be required from 1 January.

# Emerging Concerns

## Border Controls

- Already imposed on good entering the EU from the UK and are causing delays
- Meat and fish exporters have been hit hardest

## Rules of Origin

- Ensure that goods included in the 'no tariff, no quota' agreement are British made.
- Complex with different rules applied to different goods.

## Free Trade Agreements and Workers' Rights

- Deregulation possible
- Working time protections no longer guaranteed

# Update on Westminster Legislation

## **The European Union (Future Relationship) Act 2020**

- Implements the Trade and Cooperation Agreement, the Agreement on Nuclear Cooperation and the Agreement on Security Procedures for Exchanging and Protecting Classified Information, as agreed between the UK and the EU.

## **The EU (Withdrawal) Act 2018**

- The government has been using the powers in the EUWA to amend primary and secondary legislation and has already published numerous Brexit-related Statutory Instruments

## **The UK Internal Market Act 2020**

- Different parts of the UK may in future make different rules in key policy areas from 1 January 2021.

# Westminster Legislation - continued

## **The Taxation (Cross-border Trade) Act 2020**

- Provides the framework for a new standalone customs regime.

## **The Immigration and Social Security Co-ordination (EU Withdrawal) Act 2020**

- Ends rights to free movement of persons under retained EU law and repeals other retained EU law relating to immigration. F
- For those arriving in UK from 1 January, UK immigration regime applies.

## **The Agriculture Act 2020**

- Provides the legislative framework for replacement agricultural support schemes following Brexit and the UK's withdrawal from the CAP.

## **The Trade Bill 2019-21**

- Provides the legal framework for post-Brexit UK trade policy. It will have its third reading in the House of Lords this week.
- NHS protections are not yet secured.



**#CivSocBrexitProject @HRCScotland**

