



Brexit: The new EU-UK partnership and the EU-UK Trade and Cooperation Agreement



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Withdrawal of the UK from the EU and withdrawal agreement

On 29 March 2017, the United Kingdom of Great Britain and Northern Ireland ("UK") formally notified the European Council of its intention to leave the European Union ("EU").

The EU and the UK then negotiated and made an agreement on the withdrawal of the UK from the EU: Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community. Based on this, the UK left the EU with effect on 31 January 2020.

EU-UK Trade and Cooperation Agreement

From the outset of the UK's withdrawal from the EU, the European Commission and the Government of the UK began negotiations in relation to the future relationship between the UK and the EU.

The UK and the EU discussed and negotiated an agreement many times and extensively until they reached and made an agreement on 24 December 2020. The agreement was signed on 30 December 2020. Its official title is: Trade and Cooperation Agreement between the European Union and the European Atomic Energy Community, of the one part, and the United Kingdom of Great Britain and Northern Ireland, of the other part ("EU-UK Trade and

Cooperation Agreement" or "TCA"). The agreement is an important part of the basis for a new EU-UK partnership.

The TCA generally avoids some of the substantial negative consequences of a hard Brexit which many businesses had feared. However, the agreement will inevitably leave UK-EU trade more complicated than it was.

The TCA generally consists of the following three main pillars:

1. A free trade agreement.
2. A framework agreement for law enforcement and judicial cooperation in criminal and civil law matters.
3. A horizontal agreement on governance.

Free trade agreement

This part of the TCA on free trade comprises and sets terms in relation to trade in goods and services and other areas, including investment, competition, state aid, tax transparency, air and road transport, energy and sustainability, fisheries, data protection, and social security coordination.

While the TCA does not match the level of cooperation which exists among EU member states, the TCA to some extent ensures a frictionless trade between EU member states and the UK by, among other things, reducing or eliminating certain taxes or charges for trading goods across borders, including tariffs and quotas on goods traded between the UK and the EU.

However, while the TCA removes tariffs and quotas, it does not remove non-tariff barriers, for example, the checks, paperwork, and extra regulatory processes that need to be undertaken to legally place a product on the market. For example, the TCA does not set any provisions on mutual recognition for certified products. This means that manufacturers are required to get regulatory approval in both the UK and the EU to place some products on both markets.

Framework agreement for law enforcement and judicial cooperation in criminal and civil law matters

The TCA also establishes a new framework for law enforcement and judicial cooperation in criminal and civil law matters.

The TCA sets the basis for an appropriate cooperation between national police and judicial authorities in the EU and the UK, including and in particular for fighting and prosecuting cross-border crime and terrorism and other relevant matters such as the following:

- Exchange of DNA, fingerprint, and vehicle registration data.
- Transfer of passenger name record data.
- Cooperation with Europol and Eurojust.
- Surrender and replacement arrangements for the European Arrest Warrant.

- Exchange of criminal records.

Horizontal agreement on Governance

The TCA sets certain provisions on how the agreement shall be operated and controlled. These provisions shall ensure legal certainty to businesses, consumers, and citizens.

Furthermore, the TCA provides that a Joint Partnership Council shall be established to make sure that the agreement is properly applied and interpreted, and in which all arising matters will be discussed. This is to ensure a better legal certainty to businesses, consumers, and citizens comprised or affected by the agreement.

If a solution to a disagreement cannot be found between the EU and the UK, an independent arbitration tribunal can be established to settle the matter through a binding ruling. This horizontal dispute settlement mechanism covers most areas of the Agreement, including level playing field and fisheries.

Some matters not comprised by the EU-UK Trade and Cooperation Agreement

Some general substantial matters are not comprised by the agreement, including foreign policy, external security, and defense cooperation.

As of 1 January 2021, there has not been any framework in place between the UK and the EU in relation to these matters.

Further information and assistance

DLA Piper's lawyers with expertise in areas and matters comprised or affected by Brexit are available to assist with all legal matters in relation thereto. Among others, DLA Piper has such lawyers in Denmark, Brussels, and the UK.

Further information, newsletters, and guides on Brexit and related matters are available at the internet pages of DLA Piper, including www.dlapiper.com.

See for example the following newsletters on Brexit and related matters:

[Boardroom Brexit: The view from Europe on the trade deal](#)

[Boardroom Brexit: The view from the UK on the trade deal](#)

[Boardroom Brexit: What the deal means for Level Playing Field rules](#)

[Boardroom Brexit: What the deal means for business](#)

[Boardroom Brexit: What the deal means for dispute resolution](#)

[Boardroom Brexit: What the deal means for energy and climate change](#)

[Boardroom Brexit: What the deal means for fishing](#),

[Boardroom Brexit: What the deal means for funding and procurement](#)

[Boardroom Brexit: What the deal means for intellectual property](#),

[Boardroom Brexit: What the deal means for mobility](#),

[Boardroom Brexit: What the deal means for personal data and digital trade](#)

[Boardroom Brexit: What the deal means for state aid and competition](#)

[Boardroom Brexit: What the deal means for the UK and EU ratification and implementation process](#)

[Boardroom Brexit: What the deal means for trade in goods](#)

[Boardroom Brexit: What the deal means for trade in services](#)

[Boardroom Brexit: What the deal means for transport](#)

See also the internet site with information on DLA Piper's team on international trade, regulatory, and government affairs [here](#).

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