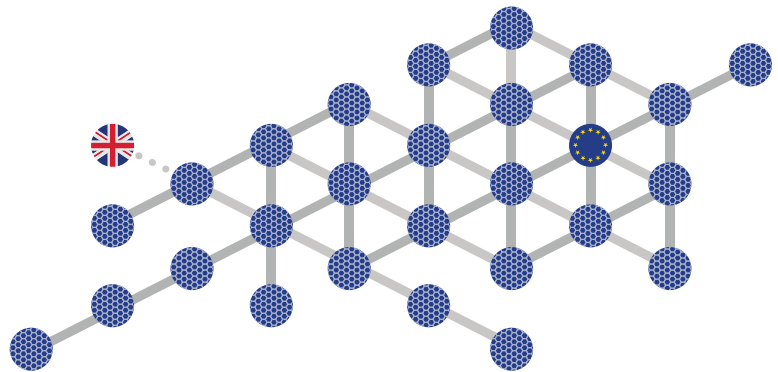




Brexit and trade: what you need to know

Brexit Briefing Note



The European Union (Withdrawal Agreement) Bill 2019-20 provides that the entire body of EU law will continue to apply during the transition (or implementation) period, which will run from exit day to 31 December 2020. Following the Bill's recent success in passing its second reading in the House of Commons, it is virtually certain that Exit Day will be on 31 January 2020. During this transition period, the UK will continue to apply EU trade policy and will largely be governed by existing EU trade agreements with third countries. The EU will write to third countries with which it has trade agreements in place to request that the UK continues to benefit from such agreements during the transition period.

At the end of the transition period, the UK will cease to be party to preferential trade agreements concluded by the EU with third countries. There are around 40 preferential trade agreements (which cover around 70 countries) between the EU and third countries, with which the UK currently trades by virtue of its membership of the EU

(and should continue to benefit from during the transition period).

In preparation for Brexit, the UK Government has been seeking to replicate (or 'roll over') the EU's trade agreements where possible. Currently, the UK has signed 15 agreements (with a further agreement agreed in principle) that will take effect when the UK leaves the EU (at the end of the transition period). These cover a number of non-EU countries, including: Norway and Iceland, Switzerland, Central America, and Eastern and Southern Africa.

Traders who do business with countries that are currently covered by an EU preferential trade agreement need to establish whether the UK secures a new trade agreement directly with those countries during the transition period (if it has not already done so). If not, trade with that country will be on World Trade Organization (WTO) terms following the transition period.



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