

# **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**

## **PREAMBLE**

THE EUROPEAN UNION AND THE EUROPEAN ATOMIC ENERGY COMMUNITY AND THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND,

1. REAFFIRMING their commitment to democratic principles, to the rule of law, to human rights, to countering proliferation of weapons of mass destruction and to the fight against climate change, which constitute essential elements of this and supplementing agreements,
2. RECOGNISING the importance of global cooperation to address issues of shared interest,
3. RECOGNISING the importance of transparency in international trade and investment to the benefit of all stakeholders,
4. SEEKING to establish clear and mutually advantageous rules governing trade and investment between the Parties,
5. CONSIDERING that in order to guarantee the efficient management and correct interpretation and application of this Agreement and any supplementing agreement, as well as compliance with the obligations under those agreements, it is essential to establish provisions ensuring overall governance, in particular dispute settlement and enforcement rules that fully respect the autonomy of the respective legal orders of the Union and of the United Kingdom, as well as the United Kingdom's status as a country outside the European Union,
6. BUILDING upon their respective rights and obligations under the Marrakesh Agreement Establishing the World Trade Organization, done on 15 April 1994, and other multilateral and bilateral instruments of cooperation,
7. RECOGNISING the Parties' respective autonomy and rights to regulate within their territories in order to achieve legitimate public policy objectives such as the protection and promotion of public health, social services, public education, safety, the environment including climate change, public morals, social or consumer protection, animal welfare, privacy and data protection and the promotion and protection of cultural diversity, while striving to improve their respective high levels of protection,
8. BELIEVING in the benefits of a predictable commercial environment that fosters trade and investment between the Parties and prevents the distortion of trade and unfair competitive advantages, in a manner conducive to sustainable development in its economic, social and environmental dimensions,
9. RECOGNISING the need for an ambitious, wide-ranging and balanced economic partnership to be underpinned by a level playing field for open and fair competition and sustainable development, through effective and robust frameworks for subsidies and competition and a commitment to uphold their respective high levels of protection in the areas of labour and social standards, environment, the fight against climate change, and taxation,
10. RECOGNISING the need to ensure an open and secure market for businesses, including small and medium-sized enterprises, and their goods and services through addressing unjustified barriers to trade and investment,
11. NOTING the importance of facilitating new opportunities for businesses and consumers through digital trade, and addressing unjustified barriers to data flows and trade enabled by electronic means, whilst respecting the Parties' personal data protection rules,
12. DESIRING that this Agreement contribute to consumer welfare through policies ensuring a high level of consumer protection and economic well-being, as well as encouraging cooperation between relevant authorities,
13. CONSIDERING the importance of cross-border connectivity by air, by road and by sea, for passengers and for goods, and

the need to ensure high standards in the provision of transportation services between the Parties,

14. RECOGNISING the benefits of trade and investment in energy and raw materials and the importance of supporting the delivery of cost efficient, clean and secure energy supplies to the Union and the United Kingdom,

15. NOTING the interest of the Parties in establishing a framework to facilitate technical cooperation and to develop new trading arrangements for interconnectors which deliver robust and efficient outcomes for all timeframes,

16. NOTING that cooperation and trade between the Parties in these areas should be based on fair competition in energy markets and non-discriminatory access to networks,

17. RECOGNISING the benefits of sustainable energy, renewable energy, in particular offshore generation in the North Sea, and energy efficiency,

18. DESIRING to promote the peaceful use of the waters adjacent to their coasts and the optimum and equitable utilisation of the marine living resources in those waters including the continued sustainable management of shared stocks,

19. NOTING that the United Kingdom withdrew from the European Union and that with effect from 1 January 2021, the United Kingdom is an independent coastal State with corresponding rights and obligations under international law,

20. AFFIRMING that the sovereign rights of the coastal States exercised by the Parties for the purpose of exploring, exploiting, conserving and managing the living resources in their waters should be conducted pursuant to and in accordance with the principles of international law, including the United Nations Convention on the Law of the Sea, done at Montego Bay on 10 December 1982 (United Nations Convention on the Law of the Sea),

21. RECOGNISING the importance of the coordination of social security rights enjoyed by persons moving between the Parties to work, to stay or to reside, as well as the rights enjoyed by their family members and survivors,

22. CONSIDERING that cooperation in areas of shared interest, such as science, research and innovation, nuclear research and space, in the form of the participation of the United Kingdom in the corresponding Union programmes under fair and appropriate conditions will benefit both Parties,

23. CONSIDERING that cooperation between the United Kingdom and the Union relating to the prevention, investigation, detection or prosecution of criminal offences and to the execution of criminal penalties, including the safeguarding against and prevention of threats to public security, will enable the security of the United Kingdom and the Union to be strengthened,

24. DESIRING that an agreement is concluded between the United Kingdom and the Union to provide a legal base for such cooperation,

25. ACKNOWLEDGING that the Parties may supplement this Agreement with other agreements forming an integral part of their overall bilateral relations as governed by this Agreement and that the Agreement on Security Procedures for Exchanging and Protecting Classified Information is concluded as such a supplementing agreement and enables the exchange of classified information between the Parties under this Agreement or any other supplementing agreement,

HAVE AGREED AS FOLLOWS:

## **Part ONE. COMMON AND INSTITUTIONAL PROVISIONS**

### **Title I. GENERAL PROVISIONS**

#### **Article 1. Purpose**

This Agreement establishes the basis for a broad relationship between the Parties, within an area of prosperity and good neighbourliness characterised by close and peaceful relations based on cooperation, respectful of the Parties' autonomy and sovereignty.

#### **Article 2. Supplementing Agreements**

1. Where the Union and the United Kingdom conclude other bilateral agreements between them, such agreements shall constitute supplementing agreements to this Agreement, unless otherwise provided for in those agreements. Such

supplementing agreements shall be an integral part of the overall bilateral relations as governed by this Agreement and shall form part of the overall framework

2. Paragraph 1 also applies to:

- (a) agreements between the Union and its Member States, of the one part, and the United Kingdom, of the other part; and
- (b) agreements between the European Atomic Energy Community, of the one part, and the United Kingdom, of the other part.

### **Article 3. Good Faith**

1. The Parties shall, in full mutual respect and good faith, assist each other in carrying out tasks that flow from this Agreement and any supplementing agreement.

2. They shall take all appropriate measures, whether general or particular, to ensure the fulfilment of the obligations arising from this Agreement and from any supplementing agreement, and shall refrain from any measures which could jeopardise the attainment of the objectives of this Agreement or any supplementing agreement.

## **Title II. PRINCIPLES OF INTERPRETATION AND DEFINITIONS**

### **Article 4. Public International Law**

1. The provisions of this Agreement and any supplementing agreement shall be interpreted in good faith in accordance with their ordinary meaning in their context and in light of the object and purpose of the agreement in accordance with customary rules of interpretation of public international law, including those codified in the Vienna Convention on the Law of Treaties, done at Vienna on 23 May 1969.

2. For greater certainty, neither this Agreement nor any supplementing agreement establishes an obligation to interpret their provisions in accordance with the domestic law of either Party.

3. For greater certainty, an interpretation of this Agreement or any supplementing agreement given by the courts of either Party shall not be binding on the courts of the other Party.

### **Article 5. Private Rights**

1. Without prejudice to Article SSC.67 of the Protocol on Social Security Coordination and with the exception, with regard to the Union, of Part Three of this Agreement, nothing in this Agreement or any supplementing agreement shall be construed as conferring rights or imposing obligations on persons other than those created between the Parties under public international law, nor as permitting this Agreement or any supplementing agreement to be directly invoked in the domestic legal systems of the Parties.

2. A Party shall not provide for a right of action under its law against the other Party on the ground that the other Party has acted in breach of this Agreement or any supplementing agreement.

### **Article 6. Definitions**

1. For the purposes of this Agreement and any supplementing agreement, and unless otherwise specified, the following definitions apply:

(a) "data subject" means an identified or identifiable natural person; an identifiable person being a person who can be identified, directly or indirectly, in particular by reference to an identifier such as a name, an identification number, location data or an online identifier, or to one or more factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of that natural person;

(b) "day" means a calendar day;

(c) "Member State" means a Member State of the European Union;

(d) "personal data" means any information relating to a data subject;

(e) "State" means a Member State or the United Kingdom, as the context requires;

(f) "territory" of a Party means in respect of each Party the territories to which this Agreement applies in accordance with Article 774;

(g) "the transition period" means the transition period provided for in Article 126 of the Withdrawal Agreement; and

(h) "Withdrawal Agreement" means the Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community, including its Protocols.

2. Any reference to the "Union", "Party" or "Parties" in this Agreement or any supplementing agreement shall be understood as not including the European Atomic Energy Community, unless otherwise specified or where the context otherwise requires.

### **Title III. INSTITUTIONAL FRAMEWORK**

#### **Article 7. Partnership Council**

1. A Partnership Council is hereby established. It shall comprise representatives of the Union and of the United Kingdom. The Partnership Council may meet in different configurations depending on the matters under discussion.

2. The Partnership Council shall be co-chaired by a Member of the European Commission and a representative of the Government of the United Kingdom at ministerial level. It shall meet at the request of the Union or the United Kingdom, and, in any event, at least once a year, and shall set its meeting schedule and its agenda by mutual consent.

3. The Partnership Council shall oversee the attainment of the objectives of this Agreement and any supplementing agreement. It shall supervise and facilitate the implementation and application of this Agreement and of any supplementing agreement. Each Party may refer to the Partnership Council any issue relating to the implementation, application and interpretation of this Agreement or of any supplementing agreement.

4. The Partnership Council shall have the power to:

(a) adopt decisions in respect of all matters where this Agreement or any supplementing agreement so provides;

(b) make recommendations to the Parties regarding the implementation and application of this Agreement or of any supplementing agreement;

(c) adopt, by decision, amendments to this Agreement or to any supplementing agreement in the cases provided for in this Agreement or in any supplementing agreement;

(d) except in relation to Title III of Part One, until the end of the fourth year following the entry into force of this Agreement, adopt decisions amending this Agreement or any supplementing agreement, provided that such amendments are necessary to correct errors, or to address omissions or other deficiencies;

(e) discuss any matter related to the areas covered by this Agreement or by any supplementing agreement;

(f) delegate certain of its powers to the Trade Partnership Committee or to a Specialised Committee, except those powers and responsibilities referred to in point (g) of this paragraph;

(g) by decision, establish Trade Specialised Committees and Specialised Committees, other than those referred to in Article 8(1), dissolve any Trade Specialised Committee or Specialised Committee, or change the tasks assigned to them; and

(h) make recommendations to the Parties regarding the transfer of personal data in specific areas covered by this Agreement or any supplementing agreement.

5. The work of the Partnership Council shall be governed by the rules of procedure set out in Annex 1. The Partnership Council may amend that Annex.

#### **Article 8. Committees**

The following Committees are hereby established:

(a) the Trade Partnership Committee, which addresses matters covered by Titles I to VII, Chapter 4 of Title VIII, Titles IX to XII of Heading One of Part Two, Heading Six of Part Two, and Annex 27;

(b) the Trade Specialised Committee on Goods which addresses matters covered by Chapter 1 of Title I of Heading One of Part Two and Chapter 4 of Title VIII of Heading One of Part Two;

(c) the Trade Specialised Committee on Customs Cooperation and Rules of Origin, which addresses matters covered by Chapters 2 and 5 of Title I of Heading One of Part Two, the Protocol on mutual administrative assistance in customs matters and the provisions on customs enforcement of intellectual property rights, fees and charges, customs valuation and repaired goods;

(d) the Trade Specialised Committee on Sanitary and Phytosanitary Measures, which addresses matters covered by Chapter 3 of Title I of Heading One of Part Two;

(e) the Trade Specialised Committee on Technical Barriers to Trade, which addresses matters covered by Chapter 4 of Title I of Heading One of Part Two and Article 323;

(f) the Trade Specialised Committee on Services, Investment and Digital Trade, which addresses matters covered by Titles II to IV of Heading One of Part Two and Chapter 4 of Title VIII of Heading One of Part Two;

(g) the Trade Specialised Committee on Intellectual Property, which addresses matters covered by Title V of Heading One of Part Two;

(h) the Trade Specialised Committee on Public Procurement, which addresses matters covered by Title VI of Heading One of Part Two;

(i) the Trade Specialised Committee on Regulatory Cooperation, which addresses matters covered by Title X of Heading One of Part Two;

(j) the Trade Specialised Committee on Level Playing Field for Open and Fair Competition and Sustainable Development, which addresses matters covered by Title XI of Heading One of Part Two and Annex 27;

(k) the Trade Specialised Committee on Administrative Cooperation in VAT and Recovery of Taxes and Duties, which addresses matters covered by the Protocol on administrative cooperation and combating fraud in the field of Value Added Tax and on mutual assistance for the recovery of claims relating to taxes and duties;

(l) the Specialised Committee on Energy,

(i) which addresses matters covered by Title VIII of Heading One of Part Two, with the exception of Chapter 4, Article 323 and Annex 27, and

(ii) which can discuss and provide expertise to the relevant Trade Specialised Committee on matters pertaining to Chapter 4 and Article 323;

(m) the Specialised Committee on Air Transport, which addresses matters covered by Title I of Heading Two of Part Two;

(n) the Specialised Committee on Aviation Safety, which addresses matters covered by Title II of Heading Two of Part Two;

(o) the Specialised Committee on Road Transport, which addresses matters covered by Heading Three of Part Two;

(p) the Specialised Committee on Social Security Coordination, which addresses matters covered by Heading Four of Part Two and the Protocol on Social Security Coordination;

(q) the Specialised Committee on Fisheries, which addresses matters covered by Heading Five of Part Two;

(r) the Specialised Committee on Law Enforcement and Judicial Cooperation, which addresses matters covered by Part Three; and

(s) the Specialised Committee on Participation in Union Programmes, which addresses matters covered by Part Five.

2. With respect to issues related to Titles I to VII, Chapter 4 of Title VIII, Titles IX to XII of Heading One of Part Two, Heading Six of Part Two and Annex 27, the Trade Partnership Committee referred to in paragraph 1 of this Article shall have the power to:

(a) assist the Partnership Council in the performance of its tasks and, in particular, report to the Partnership Council and carry out any task assigned to it by the latter;

(b) supervise the implementation of this Agreement or any supplementing agreement;

(c) adopt decisions or make recommendations as provided for in this Agreement or any supplementing agreement or where such power has been delegated to it by the Partnership Council;

- (d) supervise the work of the Trade Specialised Committees referred to in paragraph 1 of this Article;
- (e) explore the most appropriate way to prevent or solve any difficulty that may arise in relation to the interpretation and application of this Agreement or any supplementing agreement, without prejudice to Title I of Part Six;
- (f) exercise the powers delegated to it by the Partnership Council pursuant to point (f) of Article 74);
- (g) establish, by decision, Trade Specialised Committees other than those referred to in paragraph 1 of this Article, dissolve any such Trade Specialised Committee, or change the tasks assigned to them; and
- (h) establish, supervise, coordinate and dissolve Working Groups, or delegate their supervision to a Trade Specialised Committee.

3. With respect to issues related to their area of competence, Trade Specialised Committees shall have the power to:

- (a) monitor and review the implementation and ensure the proper functioning of this Agreement or any supplementing agreement;
- (b) assist the Trade Partnership Committee in the performance of its tasks and, in particular, report to the Trade Partnership Committee and carry out any task assigned to them by it;
- (c) conduct the preparatory technical work necessary to support the functions of the Partnership Council and the Trade Partnership Committee, including when those bodies have to adopt decisions or recommendations;
- (d) adopt decisions in respect of all matters where this Agreement or any supplementing agreement so provides;
- (e) discuss technical issues arising from the implementation of this Agreement or of any supplementing agreement, without prejudice to Title I of Part Six; and
- (f) provide a forum for the Parties to exchange information, discuss best practices and share implementation experience.

4. With respect to issues related to their area of competence, Specialised Committees shall have the power to:

- (a) monitor and review the implementation and ensure the proper functioning of this Agreement or any supplementing agreement;
- (b) assist the Partnership Council in the performance of its tasks and, in particular, report to the Partnership Council and carry out any task assigned to them by it;
- (c) adopt decisions, including amendments, and recommendations in respect of all matters where this Agreement or any supplementing agreement so provides or for which the Partnership Council has delegated its powers to a Specialised Committee in accordance with point (f) of Article 7(4)
- (d) discuss technical issues arising from the implementation of this Agreement or any supplementing agreement;
- (e) provide a forum for the Parties to exchange information, discuss best practices and share implementation experience;
- (f) establish, supervise, coordinate and dissolve Working Groups; and
- (g) provide a forum for consultation pursuant to Article 738(7).

5. Committees shall comprise representatives of each Party. Each Party shall ensure that its representatives on the Committees have the appropriate expertise with respect to the issues under discussion,

6. The Trade Partnership Committee shall be co-chaired by a senior representative of the Union and a representative of the United Kingdom with responsibility for trade-related matters, or their designees. It shall meet at the request of the Union or the United Kingdom, and, in any event, at least once a year, and shall set its meeting schedule and its agenda by mutual consent.

7. The Trade Specialised Committees and the Specialised Committees shall be co-chaired by a representative of the Union and a representative of the United Kingdom. Unless otherwise provided for in this Agreement, or unless the co-chairs decide otherwise, they shall meet at least once a year. 8. Committees shall set their meeting schedule and agenda by mutual consent.

9. The work of the Committees shall be governed by the rules of procedure set out in Annex 1.

10. By way of derogation from paragraph 9, a Committee may adopt and subsequently amend its own rules that shall

govern its work.

## **Article 9. Working Groups**

1. The following Working Groups are hereby established:

(a) the Working Group on Organic Products, under the supervision of the Trade Specialised Committee on Technical Barriers to Trade;

(b) the Working Group on Motor Vehicles and Parts, under the supervision of the Trade Specialised Committee on Technical Barriers to Trade;

(c) the Working Group on Medicinal Products, under the supervision of the Trade Specialised Committee on Technical Barriers to Trade;

(d) the Working Group on Social Security Coordination, under the supervision of the Specialised Committee on Social Security Coordination.

2. Working Groups shall, under the supervision of Committees, assist Committees in the performance of their tasks and, in particular, prepare the work of Committees and carry out any task assigned to them by the latter.

3. Working Groups shall comprise representatives of the Union and of the United Kingdom and shall be co-chaired by a representative of the Union and a representative of the United Kingdom.

4. Working Groups shall set their own rules of procedure, meeting schedule and agenda by mutual consent.

## **Article 10. Decisions and Recommendations**

1. The decisions adopted by the Partnership Council, or, as the case may be, by a Committee, shall be binding on the Parties and on all the bodies set up under this Agreement and under any supplementing agreement, including the arbitration tribunal referred to in Title I of Part Six. Recommendations shall have no binding force.

2. The Partnership Council or, as the case may be, a Committee, shall adopt decisions and make recommendations by mutual consent.

## **Article 11. Parliamentary Cooperation**

1. The European Parliament and the Parliament of the United Kingdom may establish a Parliamentary Partnership Assembly consisting of Members of the European Parliament and of Members of the Parliament of the United Kingdom, as a forum to exchange views on the partnership.

2. Upon its establishment, the Parliamentary Partnership Assembly:

(a) may request relevant information regarding the implementation of this Agreement and any supplementing agreement from the Partnership Council, which shall then supply that Assembly with the requested information;

(b) shall be informed of the decisions and recommendations of the Partnership Council; and

(c) may make recommendations to the Partnership Council.

## **Article 12. Participation of Civil Society**

The Parties shall consult civil society on the implementation of this Agreement and any supplementing agreement, in particular through interaction with the domestic advisory groups and the Civil Society Forum referred to in Articles 13 and 14.

## **Article 13. Domestic Advisory Groups**

1. Each Party shall consult on issues covered by this Agreement and any supplementing agreement its newly created or existing domestic advisory group or groups comprising a representation of independent civil society organisations including non-governmental organisations, business and employers' organisations, as well as trade unions, active in economic, sustainable development, social, human rights, environmental and other matters. Each Party may convene its domestic

advisory group or groups in different configurations to discuss the implementation of different provisions of this Agreement or of any supplementing agreement.

2. Each Party shall consider views or recommendations submitted by its domestic advisory group or groups. Representatives of each Party shall aim to consult with their respective domestic advisory group or groups at least once a year. Meetings may be held by virtual means.

3. In order to promote public awareness of the domestic advisory groups, each Party shall endeavour to publish the list of organisations participating in its domestic advisory group or groups as well as the contact point for that or those groups.

4. The Parties shall promote interaction between their respective domestic advisory groups, including by exchanging where possible the contact details of members of their domestic advisory groups.

## **Article 14. Civil Society Forum**

1. The Parties shall facilitate the organisation of a Civil Society Forum to conduct a dialogue on the implementation of Part Two. The Partnership Council shall adopt operational guidelines for the conduct of the Forum.

2. The Civil Society Forum shall meet at least once a year, unless otherwise agreed by the Parties. The Civil Society Forum may meet by virtual means.

3. The Civil Society Forum shall be open for the participation of independent civil society organisations established in the territories of the Parties, including members of the domestic advisory groups referred to in Article 13. Each Party shall promote a balanced representation, including non-governmental organisations, business and employers' organisations and trade unions, active in economic, sustainable development, social, human rights, environmental and other matters.

# **Part TWO. TRADE, TRANSPORT, FISHERIES AND OTHER ARRANGEMENTS**

## **HEADING ONE. TRADE**

### **Title I. TRADE IN GOODS**

## **Chapter 1. NATIONAL TREATMENT AND MARKET ACCESS FOR GOODS (INCLUDING TRADE REMEDIES)**

### **Article 15. Objective**

The objective of this Chapter is to facilitate trade in goods between the Parties and to maintain liberalised trade in goods in accordance with the provisions of this Agreement.

### **Article 16. Scope**

Except as otherwise provided, this Chapter applies to trade in goods of a Party.

### **Article 17. Definitions**

For the purposes of this Chapter, the following definitions apply:

(a) "consular transactions" means the procedure of obtaining from a consul of the importing Party in the territory of the exporting Party, or in the territory of a third party, a consular invoice or a consular visa for a commercial invoice, certificate of origin, manifest, shipper's export declaration or any other customs documentation in connection with the importation of the good;

(b) "Customs Valuation Agreement" means the Agreement on Implementation of Article VII of GATT 1994;

(c) "export licensing procedure" means an administrative procedure, whether or not referred to as licensing, used by a Party for the operation of export licensing regimes, requiring the submission of an application or other documentation, other than that generally required for customs clearance purposes, to the relevant administrative body as a prior condition for exportation from that Party;



(d) "import licensing procedure" means an administrative procedure, whether or not referred to as licensing, used by a Party for the operation of import licensing regimes, requiring the submission of an application or other documentation, other than that generally required for customs clearance purposes, to the relevant administrative body or bodies as a prior condition for importation into the territory of the importing Party;

(e) "originating goods" means, unless otherwise provided, a good qualifying under the rules of origin set out in Chapter 2 of this Title;

(f) "performance requirement" means a requirement that:

(i) a given quantity, value or percentage of goods be exported;

(ii) goods of the Party granting an import licence be substituted for imported goods;

(iii) a person benefiting from an import licence purchase other goods in the territory of the Party granting the import licence, or accord a preference to domestically produced goods;

(iv) a person benefiting from an import licence produce goods in the territory of the Party granting the import licence, with a given quantity, value or percentage of domestic content; or

(v) relates in whatever form to the volume or value of imports, to the volume or value of exports or to the amount of foreign exchange flows;

(g) "remanufactured good" means a good classified under HS Chapters 32, 40, 84 to 90, 94 or 95 that:

(i) is entirely or partially composed of parts obtained from used goods;

(ii) has similar life expectancy and performance compared with such goods, when new; and

(iii) is given an equivalent warranty to as that applicable to such goods when new; and

(h) "repair" means any processing operation undertaken on a good to remedy operating defects or material damage and entailing the re-establishment of the good to its original function or to ensure compliance with technical requirements for its use. Repair of a good includes restoration and maintenance, with a possible increase in the value of the good from restoring the original functionality of that good, but does not include an operation or process that:

(i) destroys the essential characteristics of a good, or creates a new or commercially different good;

(ii) transforms an unfinished good into a finished good; or

(iii) is used to improve or upgrade the technical performance of a good.

## **Article 18. Classification of Goods**

The classification of goods in trade between the Parties under this Agreement is set out in each Party's respective tariff nomenclature in conformity with the Harmonised System.

## **Article 19. National Treatment on Internal Taxation and Regulation**

Each Party shall accord national treatment to the goods of the other Party in accordance with Article III of GATT 1994 including its Notes and Supplementary Provisions. To that end, Article III of GATT 1994 and its Notes and Supplementary Provisions are incorporated into and made part of this Agreement, *mutatis mutandis*.

## **Article 20. Freedom of Transit**

Each Party shall accord freedom of transit through its territory, via the routes most convenient for international transit, for traffic in transit to or from the territory of the other Party or of any other third country. To that end, Article V of GATT 1994 and its Notes and Supplementary Provisions are incorporated into and made part of this Agreement, *mutatis mutandis*. The Parties understand that Article V of GATT 1994 includes the movement of energy goods via inter alia pipelines or electricity grids.

## **Article 21. Prohibition of Customs Duties**

Except as otherwise provided for in this Agreement, customs duties on all goods originating in the other Party shall be prohibited.

## **Article 22. Export Duties, Taxes or other Charges**

1. A Party may not adopt or maintain any duty, tax or other charge of any kind imposed on, or in connection with, the exportation of a good to the other Party; or any internal tax or other charge on a good exported to the other Party that is in excess of the tax or charge that would be imposed on like goods when destined for domestic consumption.
2. For the purpose of this Article the term "other charge of any kind" does not include fees or other charges that are permitted under Article 23.

## **Article 23. Fees and Formalities**

1. Fees and other charges imposed by a Party on or in connection with importation or exportation of a good of the other Party shall be limited in amount to the approximate cost of the services rendered, and shall not represent an indirect protection to domestic goods or taxation of imports or exports for fiscal purposes. A Party shall not levy fees or other charges on or in connection with importation or exportation on an ad valorem basis.
2. Each Party may impose charges or recover costs only where specific services are rendered, in particular, but not limited to, the following:
  - (a) attendance, where requested, by customs staff outside official office hours or at premises other than customs premises;
  - (b) analyses or expert reports on goods and postal fees for the return of goods to an applicant, particularly in respect of decisions relating to binding information or the provision of information concerning the application of the customs laws and regulations;
  - (c) the examination or sampling of goods for verification purposes, or the destruction of goods, where costs other than the cost of using customs staff are involved; and
  - (d) exceptional control measures, if these are necessary due to the nature of the goods or to a potential risk.
3. Each Party shall promptly publish all fees and charges it imposes in connection with importation or exportation via an official website in such a manner as to enable governments, traders and other interested parties, to become acquainted with them. That information shall include the reason for the fee or charge for the service provided, the responsible authority, the fees and charges that will be applied, and when and how payment is to be made. New or amended fees and charges shall not be imposed until information in accordance with this paragraph has been published and made readily available.
4. A Party shall not require consular transactions, including related fees and charges, in connection with the importation of any good of the other Party.

## **Article 24. Repaired Goods**

1. A Party shall not apply a customs duty to a good, regardless of its origin, that re-enters the Party's territory after that good has been temporarily exported from its territory to the territory of the other Party for repair.
2. Paragraph 1 does not apply to a good imported in bond, into free trade zones, or in similar status, that is then exported for repair and is not re-imported in bond, into free trade zones, or in similar status.
3. A Party shall not apply a customs duty to a good, regardless of its origin, imported temporarily from the territory of the other Party for repair.

## **Article 25. Remanufactured Goods**

1. A Party shall not accord to remanufactured goods of the other Party treatment that is less favourable than that which it accords to equivalent goods in new condition.
2. Article 26 applies to import and export prohibitions or restrictions on remanufactured goods. If a Party adopts or maintains import and export prohibitions or restrictions on used goods, it shall not apply those measures to remanufactured goods.

3. A Party may require that remanufactured goods be identified as such for distribution or sale in its territory and that they meet all applicable technical requirements that apply to equivalent goods in new condition.

## **Article 26. Import and Export Restrictions**

1. A Party shall not adopt or maintain any prohibition or restriction on the importation of any good of the other Party or on the exportation or sale for export of any good destined for the territory of the other Party, except in accordance with Article XI of GATT 1994, including its Notes and Supplementary Provisions. To that end, Article XI of GATT 1994 and its Notes and Supplementary Provisions are incorporated into and made part of this Agreement, *mutatis mutandis*.

2. A Party shall not adopt or maintain:

(a) export and import price requirements, except as permitted in enforcement of countervailing and anti-dumping duty orders and undertakings; or

(b) import licensing conditioned on the fulfilment of a performance requirement.

## **Article 27. Import and Export Monopolies**

A Party shall not designate or maintain an import or export monopoly. For the purposes of this Article, import or export monopoly means the exclusive right or grant of authority by a Party to an entity to import a good from, or export a good to, the other Party.

## **Article 28. Import Licensing Procedures**

1. Each Party shall ensure that all import licensing procedures applicable to trade in goods between the Parties are neutral in application, and are administered in a fair, equitable, non-discriminatory and transparent manner.

2. A Party shall only adopt or maintain licensing procedures as a condition for importation into its territory from the territory of the other Party, if other appropriate procedures to achieve an administrative purpose are not reasonably available.

3. A Party shall not adopt or maintain any non-automatic import licensing procedure, unless it is necessary to implement a measure that is consistent with this Agreement. A Party adopting such non-automatic import licensing procedure shall indicate clearly the measure being implemented through that procedure.

4. Each Party shall introduce and administer any import licensing procedure in accordance with Articles 1 to 3 of the WTO Agreement on Import Licensing Procedures (the "Import Licensing Agreement"). To that end, Articles 1 to 3 of the Import Licensing Agreement are incorporated into and made part of this Agreement *mutatis mutandis*.

5. Any Party introducing or modifying any import licensing procedure shall make all relevant information available online on an official website. That information shall be made available, whenever practicable, at least 21 days prior to the date of the application of the new or modified licensing procedure and in any event no later than the date of application. That information shall contain the data required under Article 5 of the Import Licensing Agreement.

6. At the request of the other Party, a Party shall promptly provide any relevant information regarding any import licensing procedures that it intends to adopt or that it maintains, including the information referred to in Articles 1 to 3 of the Import Licensing Agreement.

7. For greater certainty, nothing in this Article requires a Party to grant an import licence, or prevents a Party from implementing its obligations or commitments under United Nations Security Council Resolutions or under multilateral non-proliferation regimes and import control arrangements,

## **Article 29. Export Licensing Procedures**

1. Each Party shall publish any new export licensing procedure, or any modification to an existing export licensing procedure, in such a manner as to enable governments, traders and other interested parties to become acquainted with them. Such publication shall take place, whenever practicable, 45 days before the procedure or modification takes effect, and in any case no later than the date such procedure or modification takes effect and, where appropriate, publication shall take place on any relevant government websites.

2. The publication of export licensing procedures shall include the following information:

- (a) the texts of the Party's export licensing procedures, or of any modifications the Party makes to those procedures;
- (b) the goods subject to each licensing procedure;
- (c) for each procedure, a description of the process for applying for a licence and any criteria an applicant must meet to be eligible to apply for a licence, such as possessing an activity licence, establishing or maintaining an investment, or operating through a particular form of establishment in a Party's territory;
- (d) a contact point or points from which interested persons can obtain further information on the conditions for obtaining an export licence;
- (e) the administrative body or bodies to which an application or other relevant documentation are to be submitted;
- (f) a description of any measure or measures being implemented through the export licensing procedure;
- (g) the period during which each export licensing procedure will be in effect, unless the procedure remains in effect until withdrawn or revised in a new publication;
- (h) if the Party intends to use a licensing procedure to administer an export quota, the overall quantity and, if applicable, the value of the quota and the opening and closing dates of the quota; and
- (i) any exemptions or exceptions that replace the requirement to obtain an export licence, how to request or use those exemptions or exceptions, and the criteria for granting them.

3. Within 45 days after the date of entry into force of this Agreement, each Party shall notify the other Party of its existing export licensing procedures, Each Party shall notify to the other Party any new export licensing procedures and any modifications to existing export licensing procedures within 60 days of publication. The notification shall include a reference to the sources where the information required pursuant to paragraph 2 is published and shall include, where appropriate, the address of the relevant government websites.

4. For greater certainty, nothing in this Article requires a Party to grant an export licence, or prevents a Party from implementing its commitments under United Nations Security Council Resolutions as well as under multilateral non-proliferation regimes and export control arrangements including the Wassenaar Arrangement on Export Controls for Conventional Arms and Dual-Use Goods and Technologies, the Australia Group, the Nuclear Suppliers Group, and the Missile Technology Control Regime, or from adopting, maintaining or implementing independent sanctions regimes.

## **Article 30. Customs Valuation**

Each Party shall determine the customs value of goods of the other Party imported into its territory in accordance with Article VII of GATT 1994 and the Customs Valuation Agreement. To that end, Article VII of GATT 1994 including its Notes and Supplementary Provisions, and Articles 1 to 17 of the Customs Valuation Agreement including its Interpretative Notes, are incorporated into and made part of this Agreement, *mutatis mutandis*.

## **Article 31. Preference Utilisation**

1. For the purpose of monitoring the functioning of this Agreement and calculating preference utilisation rates, the Parties shall annually exchange import statistics for a 10 year-long period starting one year after the entry into force of this Agreement. Unless the Trade Partnership Committee decides otherwise, this period shall be automatically extended for five years, and thereafter the Trade Partnership Committee may decide to extend it further.

2. The exchange of import statistics shall cover data pertaining to the most recent year available, including value and, where applicable, volume, at the tariff line level for imports of goods of the other Party benefitting from preferential duty treatment under this Agreement and for those that receive non-preferential treatment.

## **Article 32. Trade Remedies**

1. The Parties affirm their rights and obligations under Article VI of GATT 1994, the Anti-Dumping Agreement, the SCM Agreement, Article XIX of GATT 1994, the Safeguards Agreement, and Article 5 of the Agreement on Agriculture.

2. Chapter 2 of this Title does not apply to anti-dumping, countervailing and safeguard investigations and measures.

3. Each Party shall apply anti-dumping and countervailing measures in accordance with the requirements of the Anti-Dumping Agreement and the SCM Agreement, and pursuant to a fair and transparent process.

4. Provided it does not unnecessarily delay the conduct of the investigation, each interested party in an anti-dumping or countervailing investigation (1) shall be granted a full opportunity to defend its interests.
5. Each Party's investigating authority may, in accordance with the Party's law, consider whether the amount of the anti-dumping duty to be imposed shall be the full margin of dumping or a lesser amount.
6. Each Party's investigating authority shall, in accordance with the Party's law, consider information provided as to whether imposing an anti-dumping or a countervailing duty would not be in the public interest.
7. A Party shall not apply or maintain, with respect to the same good, at the same time:
  - (a) a measure pursuant to Article 5 of the Agreement on Agriculture; and
  - (b) a measure pursuant to Article XIX of GATT 1994 and the Safeguards Agreement.
8. Title I of Part Six does not apply to paragraphs 1 to 6 of this Article.

(1) For the purpose of this Article, interested parties shall be defined as per Article 6.11 of the Anti-dumping Agreement and Article 12.9 of the SCM Agreement.

### **Article 33. Use of Existing WTO Tariff Rate Quotas**

1. Products originating in one Party shall not be eligible to be imported into the other Party under existing WTO Tariff Rate Quotas ("TRQs") as defined in paragraph 2. This shall include those TRQs as being apportioned between the Parties pursuant to Article XXVIII GATT negotiations initiated by the European Union in WTO document G/SECRET/42/Add.2 and by the United Kingdom in WTO document G/SECRET/44 and as set out in each Party's respective internal legislation. For the purposes of this Article, the originating status of the products shall be determined on the basis of non-preferential rules of origin applicable in the importing Party.
2. For the purposes of paragraph 1, "existing WTO TRQs" means those tariff rate quotas which are WTO concessions of the European Union included in the draft EU28 schedule of concessions and commitments under GATT 1994 submitted to the WTO in document G/MA/TAR/RS/S06 as amended by documents G/MA/TAR/RS/S06/Add.1 and G/MA/TAR/RS/506/Add.2.

### **Article 34. Measures In Case of Breaches or Circumventions of Customs Legislation**

1. The Parties shall cooperate in preventing, detecting and combating breaches or circumventions of customs legislation, in accordance with their obligations under Chapter 2 of this Title and the Protocol on mutual administrative assistance in customs matters. Each Party shall take appropriate and comparable measures to protect its own and the other Party's financial interests regarding the levying of duties on goods entering the customs territories of the United Kingdom or the Union.
2. Subject to the possibility of exemption for compliant traders under paragraph 7, a Party may temporarily suspend the relevant preferential treatment of the product or products concerned in accordance with the procedure laid down in paragraphs 3 and 4 if:
  - (a) that Party has made a finding, based on objective, compelling and verifiable information, that systematic and large-scale breaches or circumventions of customs legislation have been committed, and;
  - (b) the other Party repeatedly and unjustifiably refuses or otherwise fails to comply with the obligations referred to in paragraph 1.
3. The Party which has made a finding as referred to in paragraph 2 shall notify the Trade Partnership Committee and shall enter into consultations with the other Party within the Trade Partnership Committee with a view to reaching a mutually acceptable solution.
4. If the Parties fail to agree on a mutually acceptable solution within three months after the date of notification, the Party which has made the finding may decide to suspend temporarily the relevant preferential treatment of the product or products concerned. In this case, the Party which made the finding shall notify the temporary suspension, including the period during which it intends the temporary suspension to apply, to the Trade Partnership Committee without delay.
5. The temporary suspension shall apply only for the period necessary to counteract the breaches or circumventions and to protect the financial interests of the Party concerned, and in any case not for longer than six months, The Party concerned

shall keep the situation under review and, where it decides that the temporary suspension is no longer necessary, it shall bring it to an end before the end of the period notified to the Trade Partnership Committee. Where the conditions that gave rise to the suspension persist at the expiry of the period notified to the Trade Partnership Committee, the Party concerned may decide to renew the suspension. Any suspension shall be subject to periodic consultations within the Trade Partnership Committee.

6. Each Party shall publish, in accordance with its internal procedures, notices to importers about any decision concerning temporary suspensions referred to in paragraphs 4 and 5.

7. Notwithstanding paragraph 4, if an importer is able to satisfy the importing customs authority that such products are fully compliant with the importing Party's customs legislation, the requirements of this Agreement, and any other appropriate conditions related to the temporary suspension established by the importing Party in accordance with its laws and regulations, the importing Party shall allow the importer to apply for preferential treatment and recover any duties paid in excess of the applicable preferential tariff rates when the products were imported.

## **Article 35. Management of Administrative Errors**

In case of systematic errors by the competent authorities or issues concerning the proper management of the preferential system at export, concerning notably the application of the provisions of Chapter 2 of this Title or the application of the Protocol on Mutual Administrative Assistance in Customs Matters, and if these errors or issues lead to consequences in terms of import duties, the Party facing such consequences may request the Trade Partnership Committee to examine the possibility of adopting decisions, as appropriate, to resolve the situation.

## **Article 36. Cultural Property**

1. The Parties shall cooperate in facilitating the return of cultural property illicitly removed from the territory of a Party, having regard to the principles enshrined in the UNESCO Convention on the Means of Prohibiting and Preventing the Illicit Import, Export and Transfer of Ownership of Cultural Property signed in Paris on 17 November 1970.

2. For the purposes of this Article, the following definitions apply:

(a) "cultural property" means property classified or defined as being among the national treasures possessing artistic, historic or archaeological value under the respective rules and procedures of each Party; and

(b) "illicitly removed from the territory of a Party" means:

(i) removed from the territory of a Party on or after 1 January 1993 in breach of that Party's rules on the protection of national treasures or in breach of its rules on the export of cultural property; or

(ii) not returned at the end of a period of lawful temporary removal or any breach of another condition governing such temporary removal, on or after 1 January 1993.

3. The competent authorities of the Parties shall cooperate with each other in particular by:

(a) notifying the other Party where cultural property is found in their territory and there are reasonable grounds for believing that the cultural property has been illicitly removed from the territory of the other Party;

(b) addressing requests of the other Party for the return of cultural property which has been illicitly removed from the territory of that Party;

(c) preventing any actions to evade the return of such cultural property, by means of any necessary interim measures; and

(d) taking any necessary measures for the physical preservation of cultural property which has been illicitly removed from the territory of the other Party.

4. Each Party shall identify a contact point responsible for communicating with the contact point of the other Party with respect to any matters arising under this Article, including with respect to the notifications and requests referred to in points (a) and (b) of paragraph 3.

5. The envisaged cooperation between the Parties shall involve the customs authorities of the Parties responsible for managing export procedures for cultural property as appropriate and necessary.

6. Title I of Part Six does not apply to this Article.

## **Chapter 2. RULES OF ORIGIN**

### **Section 1. RULES OF ORIGIN**

#### **Article 37. Objective**

The objective of this Chapter is to lay down the provisions determining the origin of goods for the purpose of application of preferential tariff treatment under this Agreement, and setting out related origin procedures.

#### **Article 38. Definitions**

For the purposes of this Chapter, the following definitions apply:

- (a) "classification" means the classification of a product or material under a particular chapter, heading, or sub-heading of the Harmonised System;
- (b) "consignment" means products which are either sent simultaneously from one exporter to one consignee or covered by a single transport document covering their shipment from the exporter to the consignee or, in the absence of such a document, by a single invoice;
- (c) "exporter" means a person, located in a Party, who, in accordance with the requirements laid down in the laws and regulations of that Party, exports or produces the originating product and makes out a statement on origin;
- (d) "importer" means a person who imports the originating product and claims preferential tariff treatment for it;
- (e) "material" means any substance used in the production of a product, including any components, ingredients, raw materials, or parts;
- (f) "non-originating material" means a material which does not qualify as originating under this Chapter, including a material whose originating status cannot be determined;
- (g) "product" means the product resulting from the production, even if it is intended for use as a material in the production of another product;
- (h) "production" means any kind of working or processing including assembly.

#### **Article 39. General Requirements**

1. For the purposes of applying the preferential tariff treatment by a Party to the originating good of the other Party in accordance with this Agreement, provided that the products satisfy all other applicable requirements of this Chapter, the following products shall be considered as originating in the other Party

- (a) products wholly obtained in that Party within the meaning of Article 41;
- (b) products produced in that Party exclusively from originating materials in that Party; and
- (c) products produced in that Party incorporating non-originating materials provided they satisfy the requirements set out in Annex 3,

2. If a product has acquired originating status, the non-originating materials used in the production of that product shall not be considered as non-originating when that product is incorporated as a material in another product.

3. The acquisition of originating status shall be fulfilled without interruption in the United Kingdom or the Union.

#### **Article 40. Cumulation of Origin**

1. A product originating in a Party shall be considered as originating in the other Party if that product is used as a material in the production of another product in that other Party.

2. Production carried out in a Party on a non-originating material may be taken into account for the purpose of determining whether a product is originating in the other Party.

3. Paragraphs 1 and 2 do not apply if the production carried out in the other Party does not go beyond the operations

referred to in Article 43.

4. In order for an exporter to complete the statement on origin referred to in point (a) of Article 54(2) for a product referred to in paragraph 2 of this Article, the exporter shall obtain from its supplier a supplier's declaration as provided for in Annex 6 or an equivalent document that contains the same information describing the non-originating materials concerned in sufficient detail to enable them to be identified.

## **Article 41. Wholly Obtained Products**

1. The following products shall be considered as wholly obtained in a Party:

- (a) mineral products extracted or taken from its soil or from its seabed;
- (b) plants and vegetable products grown or harvested there;
- (c) live animals born and raised there;
- (d) products obtained from live animals raised there;
- (e) products obtained from slaughtered animals born and raised there;
- (f) products obtained by hunting or fishing conducted there;
- (g) products obtained from aquaculture there if aquatic organisms, including fish, molluscs, crustaceans, other aquatic invertebrates and aquatic plants are born or raised from seed stock such as eggs, roes, fry, fingerlings, larvae, parr, smolts or other immature fish at a post-larval stage by intervention in the rearing or growth processes to enhance production such as regular stocking, feeding or protection from predators;
- (h) products of sea fishing and other products taken from the sea outside any territorial sea by a vessel of a Party;
- (i) products made aboard of a factory ship of a Party exclusively from products referred to in point (h);
- (j) products extracted from the seabed or subsoil outside any territorial sea provided that they have rights to exploit or work such seabed or subsoil;
- (k) waste and scrap resulting from production operations conducted there;
- (l) waste and scrap derived from used products collected there, provided that those products are fit only for the recovery of raw materials;
- (m) products produced there exclusively from the products specified in points (a) to (1).

2. The terms "vessel of a Party" and "factory ship of a Party" in points (h) and (i) of paragraph 1 mean a vessel and factory ship which:

- (a) is registered in a Member State or in the United Kingdom;
- (b) sails under the flag of a Member State or of the United Kingdom; and
- (c) meets one of the following conditions:
  - G) it is at least 50 % owned by nationals of a Member State or of the United Kingdom; or
  - G*i*) it is owned by legal persons which each:
    - (A) have their head office and main place of business in the Union or the United Kingdom; and
    - (B) are at least 50 % owned by public entities, nationals or legal persons of a Member State or the United Kingdom.

## **Article 42. Tolerances**

1. If a product does not satisfy the requirements set out in Annex 3 due to the use of a non-originating material in its production, that product shall nevertheless be considered as originating in a Party, provided that:

- (a) the total weight of non-originating materials used in the production of products classified under Chapters 2 and 4 to 24 of the Harmonised System, other than processed fishery products classified under Chapter 16, does not exceed 15 % of the



weight of the product;

(b) the total value of non-originating materials for all other products, except for products classified under Chapters 50 to 63 of the Harmonised System, does not exceed 10 % of the ex-works price of the product; or

(c) for a product classified under Chapters 50 to 63 of the Harmonised System, the tolerances set out in Notes 7 and 8 of Annex 2 apply.

2. Paragraph 1 does not apply if the value or weight of non-originating materials used in the production of a product exceeds any of the percentages for the maximum value or weight of non-originating materials as specified in the requirements set out in Annex 3.

3. Paragraph 1 of this Article does not apply to products wholly obtained in a Party within the meaning of Article 41. If Annex 3 requires that the materials used in the production of a product are wholly obtained, paragraphs 1 and 2 of this Article apply.

## **Article 43. Insufficient Production**

1. Notwithstanding point (c) of Article 39(1), a product shall not be considered as originating in a Party if the production of the product in a Party consists only of one or more of the following operations conducted on non-originating materials:

(a) preserving operations such as drying, freezing, keeping in brine and other similar operations where their sole purpose is to ensure that the products remain in good condition during transport and storage; (1)

(b) breaking-up or assembly of packages;

(c) washing, cleaning; removal of dust, oxide, oil, paint or other coverings;

(d) ironing or pressing of textiles and textile articles;

(e) simple painting and polishing operations;

(f) husking and partial or total milling of rice; polishing and glazing of cereals and rice; bleaching of rice;

(g) operations to colour or flavour sugar or form sugar lumps; partial or total milling of sugar in solid form;

(h) peeling, stoning and shelling, of fruits, nuts and vegetables;

(i) sharpening, simple grinding or simple cutting;

(j) sifting, screening, sorting, classifying, grading, matching including the making-up of sets of articles;

(k) simple placing in bottles, cans, flasks, bags, cases, boxes, fixing on cards or boards and all other simple packaging operations;

(l) affixing or printing marks, labels, logos and other like distinguishing signs on products or their packaging;

(m) simple mixing of products, whether or not of different kinds; mixing of sugar with any material;

(n) simple addition of water or dilution with water or another substance that does not materially alter the characteristics of the product, or dehydration or denaturation of products;

(o) simple assembly of parts of articles to constitute a complete article or disassembly of products into parts;

(p) slaughter of animals.

2. For the purposes of paragraph 1, operations shall be considered simple if neither special skills nor machines, apparatus or equipment especially produced or installed are needed for carrying out those operations.

(1) Preserving operations such as chilling, freezing or ventilating are considered insufficient within the meaning of point (a), whereas operations such as pickling, drying or smoking that are intended to give a product special or different characteristics are not considered insufficient.

## **Article 44. Unit of Qualification**

1. For the purposes of this Chapter, the unit of qualification shall be the particular product which is considered as the basic

unit when classifying the product under the Harmonised System.

2. For a consignment consisting of a number of identical products classified under the same heading of the Harmonised System, each individual product shall be taken into account when applying the provisions of this Chapter.

## **Article 45. Packing Materials and Containers for Shipment**

Packing materials and containers for shipment that are used to protect a product during transportation shall be disregarded in determining whether a product is originating.

## **Article 46. Packaging Materials and Containers for Retail Sale**

Packaging materials and containers in which the product is packaged for retail sale, if classified with the product, shall be disregarded in determining the origin of the product, except for the purposes of calculating the value of non-originating materials if the product is subject to a maximum value of non-originating materials in accordance with Annex 3.

## **Article 47. Accessories, Spare Parts and Tools**

1. Accessories, spare parts, tools and instructional or other information materials shall be regarded as one product with the piece of equipment, machine, apparatus or vehicle in question if they:

(a) are classified and delivered with, but not invoiced separately from, the product; and

(b) are of the types, quantities and value which are customary for that product.

2. Accessories, spare parts, tools and instructional or other information materials referred to paragraph 1 shall be disregarded in determining the origin of the product except for the purposes of calculating the value of non-originating materials if a product is subject to a maximum value of non-originating materials as set out in Annex 3.

## **Article 48. Sets**

Sets, as defined in General Rule 3 for the Interpretation of the Harmonised System, shall be considered as originating in a Party if all of their components are originating. If a set is composed of originating and non-originating components, the set as a whole shall be considered as originating in a Party if the value of the non-originating components does not exceed 15% of the ex-works price of the set.

## **Article 49. Neutral Elements**

In order to determine whether a product is originating in a Party, it shall not be necessary to determine the origin of the following elements, which might be used in its production:

(a) fuel, energy, catalysts and solvents;

(b) plant, equipment, spare parts and materials used in the maintenance of equipment and buildings;

(c) machines, tools, dies and moulds;

(d) lubricants, greases, compounding materials and other materials used in production or used to operate equipment and buildings;

(e) gloves, glasses, footwear, clothing, safety equipment and supplies;

(f) equipment, devices and supplies used for testing or inspecting the product; and

(g) other materials used in the production which are not incorporated into the product nor intended to be incorporated into the final composition of the product.

## **Article 50. Accounting Segregation**

1. Originating and non-originating fungible materials or fungible products shall be physically segregated during storage in order to maintain their originating and non-originating status,

2. For the purpose of paragraph 1, "fungible materials" or "fungible products" means materials or products that are of the same kind and commercial quality, with the same technical and physical characteristics, and that cannot be distinguished from one another for origin purposes.
3. Notwithstanding paragraph 1, originating and non-originating fungible materials may be used in the production of a product without being physically segregated during storage if an accounting segregation method is used.
4. Notwithstanding paragraph 1, originating and non-originating fungible products classified under Chapters 10, 15, 27, 28, 29, headings 32.01 to 32.07, or headings 39.01 to 39.14 of the Harmonised System may be stored in a Party before exportation to the other Party without being physically segregated, provided that an accounting segregation method is used.
5. The accounting segregation method referred to in paragraphs 3 and 4 shall be applied in conformity with a stock management method under accounting principles which are generally accepted in the Party.
6. The accounting segregation method shall be any method that ensures that at any time no more materials or products receive originating status than would be the case if the materials or products had been physically segregated.
7. A Party may require, under conditions set out in its laws or regulations, that the use of an accounting segregation method is subject to prior authorisation by the customs authorities of that Party. The customs authorities of the Party shall monitor the use of such authorisations and may withdraw an authorisation if the holder makes improper use of the accounting segregation method or fails to fulfil any of the other conditions laid down in this Chapter.

## **Article 51. Returned Products**

If a product originating in a Party exported from that Party to a third country returns to that Party, it shall be considered as a non-originating product unless it can be demonstrated to the satisfaction of the customs authority of that Party that the returning product:

- (a) is the same as that exported; and
- (b) has not undergone any operation other than what was necessary to preserve it in good condition while in that third country or while being exported.

## **Article 52. Non-alteration**

1. An originating product declared for home use in the importing Party shall not, after exportation and prior to being declared for home use, have been altered, transformed in any way or subjected to operations other than to preserve it in good condition or than adding or affixing marks, labels, seals or any other documentation to ensure compliance with specific domestic requirements of the importing Party.
2. The storage or exhibition of a product may take place in a third country, provided that the product remains under customs supervision in that third country.
3. The splitting of consignments may take place in a third country if it is carried out by the exporter or under the responsibility of the exporter, provided that the consignments remain under customs supervision in that third country.
4. In the case of doubt as to whether the requirements provided for in paragraphs 1 to 3 are complied with, the customs authority of the importing Party may request the importer to provide evidence of compliance with those requirements, which may be given by any means, including contractual transport documents such as bills of lading or factual or concrete evidence based on the marking or numbering of packages or any evidence related to the product itself.

## **Article 53. Review of Drawback of, or Exemption from, Customs Duties**

Not earlier than two years from the entry into force of this Agreement, at the request of either Party, the Trade Specialised Committee on Customs Cooperation and Rules of Origin shall review the Parties' respective duty drawback and inward-processing schemes. For that purpose, at the request of a Party, no later than 60 days from that request, the other Party shall provide the requesting Party with available information and detailed statistics covering the period from the entry into force of this Agreement, or the previous five years if that period is shorter, on the operation of its duty- drawback and inward-processing scheme. In the light of this review, the Trade Specialised Committee on Customs Cooperation and Rules of Origin may make recommendations to the Partnership Council for the amendment of the provisions of this Chapter and its Annexes, with a view to introducing limitations or restrictions with respect to drawback of or exemption from customs duties.

## **Section 2. ORIGIN PROCEDURES**

### **Article 54. Claim for Preferential Tariff Treatment**

1. The importing Party, on importation, shall grant preferential tariff treatment to a product originating in the other Party within the meaning of this Chapter on the basis of a claim by the importer for preferential tariff treatment. The importer shall be responsible for the correctness of the claim for preferential tariff treatment and for compliance with the requirements provided for in this Chapter.
2. A claim for preferential tariff treatment shall be based on:
  - (a) a statement on origin that the product is originating made out by the exporter; or
  - (b) the importer's knowledge that the product is originating.
3. The importer making the claim for preferential tariff treatment based on a statement on origin as referred to in point (a) of paragraph 2 shall keep the statement on origin and, when required by the customs authority of the importing Party, shall provide a copy thereof to that customs authority.

### **Article 55. Time of the Claim for Preferential Tariff Treatment**

1. A claim for preferential tariff treatment and the basis for that claim as referred to in Article 54(2) shall be included in the customs import declaration in accordance with the laws and regulations of the importing Party.
2. By way of derogation from paragraph 1 of this Article, if the importer did not make a claim for preferential tariff treatment at the time of importation, the importing Party shall grant preferential tariff treatment and repay or remit any excess customs duty paid provided that:
  - (a) the claim for preferential tariff treatment is made no later than three years after the date of importation, or such longer time period as specified in the laws and regulations of the importing Party;
  - (b) the importer provides the basis for the claim as referred to in Article 54(2); and
  - (c) the product would have been considered originating and would have satisfied all other applicable requirements within the meaning of Section 1 of this Chapter if it had been claimed by the importer at the time of importation.

The other obligations applicable to the importer under Article 54 remain unchanged.

### **Article 56. Statement on Origin**

1. A statement on origin shall be made out by an exporter of a product on the basis of information demonstrating that the product is originating, including, information on the originating status of materials used in the production of the product. The exporter shall be responsible for the correctness of the statement on origin and the information provided.
2. A statement on origin shall be made out using one of the language versions set out in Annex 7 in an invoice or on any other document that describes the originating product in sufficient detail to enable the identification of that product. The exporter shall be responsible for providing sufficient detail to allow the identification of the originating product. The importing Party shall not require the importer to submit a translation of the statement on origin.
3. A statement on origin shall be valid for 12 months from the date it was made out or for such longer period as provided by the Party of import up to a maximum of 24 months.
4. A statement on origin may apply to:
  - (a) a single shipment of one or more products imported into a Party; or
  - (b) multiple shipments of identical products imported into a Party within the period specified in the statement on origin, which shall not exceed 12 months.
5. If, at the request of the importer, unassembled or disassembled products within the meaning of General Rule 2(a) for the Interpretation of the Harmonised System that fall within Sections XV to XXJ of the Harmonised System are imported by instalments, a single statement on origin for such products may be used in accordance with the requirements laid down by the customs authority of the importing Party.

## Article 57. Discrepancies

The customs authority of the importing Party shall not reject a claim for preferential tariff treatment due to minor errors or discrepancies in the statement on origin, or for the sole reason that an invoice was issued in a third country.

## Article 58. Importer's Knowledge

1. For the purposes of a claim for preferential tariff treatment that is made under point (b) of Article 54(2), the importer's knowledge that a product is originating in the exporting Party shall be based on information demonstrating that the product is originating and satisfies the requirements provided for in this Chapter.
2. Before claiming the preferential treatment, in the event that an importer is unable to obtain the information referred to in paragraph 1 of this Article as a result of the exporter deeming that information to be confidential information or for any other reason, the exporter may provide a statement on origin so that the importer may claim the preferential tariff treatment on the basis of point (a) of Article 54(2).

## Article 59. Record-keeping Requirements

1. For a minimum of three years after the date of importation of the product, an importer making a claim for preferential tariff treatment for a product imported into the importing Party shall keep:
  - (a) if the claim was based on a statement on origin, the statement on origin made out by the exporter; or
  - (b) if the claim was based on the importer's knowledge, all records demonstrating that the product satisfies the requirements for obtaining originating status.
2. An exporter who has made out a statement on origin shall, for a minimum of four years after that statement on origin was made out, keep a copy of the statement on origin and all other records demonstrating that the product satisfies the requirements to obtain originating status.
3. The records to be kept in accordance with this Article may be held in electronic format.

## Article 60. Small Consignments

1. By way of derogation from Articles 54 to 58, provided that the product has been declared as meeting the requirements of this Chapter and the customs authority of the importing Party has no doubts as to the veracity of that declaration, the importing Party shall grant preferential tariff treatment to:
  - (a) a product sent in a small package from private persons to private persons;
  - (b) a product forming part of a traveller's personal luggage; and
  - (c) for the United Kingdom, in addition to points (a) and (b) of this Article, other low value consignments.
2. The following products are excluded from the application of paragraph 1 of this Article:
  - (a) products, the importation of which forms part of a series of importations that may reasonably be considered to have been made separately for the purpose of avoiding the requirements of Article 54;
  - (b) for the Union:
    - (i) a product imported by way of trade; the imports which are occasional and consist solely of products for the personal use of the recipients or travellers or their families are not be considered as imports by way of trade if it is evident from the nature and quantity of the products that no commercial purpose is intended; and
    - (ii) products, the total value of which exceeds EUR 500 in the case of products sent in small packages, or EUR 1 200 in the case of products forming part of a traveller's personal luggage. The amounts to be used in a given national currency shall be the equivalent in that currency of the amounts expressed in euro as at the first working day of October. The exchange rate amounts shall be those published for that day by the European Central Bank, unless a different amount is communicated to the European Commission by 15 October, and shall apply from 1 January the following year. The European Commission shall notify the United Kingdom of the relevant amounts. The Union may establish other limits which it will communicate to the United Kingdom; and

(c) for the United Kingdom, products whose total value exceeds the limits set under the domestic law of the United Kingdom. The United Kingdom will communicate these limits to the Union.

3. The importer shall be responsible for the correctness of the declaration and for the compliance with the requirements provided for in this Chapter. The record-keeping requirements set out in Article 59 shall not apply to the importer under this Article.

## **Article 61. Verification**

1. The customs authority of the importing Party may conduct a verification as to whether a product is originating or whether the other requirements of this Chapter are satisfied, on the basis of risk assessment methods, which may include random selection. Such verifications may be conducted by means of a request for information from the importer who made the claim referred to in Article 54, at the time the import declaration is submitted, before the release of the products, or after the release of the products.

2. The information requested pursuant to paragraph 1 shall cover no more than the following elements:

(a) if the claim was based on a statement on origin, that statement on origin; and

(b) information pertaining to the fulfilment of origin criteria, which is:

(i) where the origin criterion is "wholly obtained", the applicable category (such as harvesting, mining, fishing) and the place of production;

(ii) where the origin criterion is based on change in tariff classification, a list of all the non- originating materials, including their tariff classification (in 2, 4 or 6-digit format, depending on the origin criterion);

(iii) where the origin criterion is based on a value method, the value of the final product as well as the value of all the non- originating materials used in the production of that product;

(iv) where the origin criterion is based on weight, the weight of the final product as well as the weight of the relevant non- originating materials used in the final product;

(v) where the origin criterion is based on a specific production process, a description of that specific process.

3. When providing the requested information, the importer may add any other information that it considers relevant for the purpose of verification.

4. If the claim for preferential tariff treatment is based on a statement on origin, the importer shall provide that statement on origin but may reply to the customs authority of the importing Party that the importer is not in a position to provide the information referred to in point (b) of paragraph 2.

5. If the claim for preferential tariff treatment is based on the importer's knowledge, after having first requested information in accordance with paragraph 1, the customs authority of the importing Party conducting the verification may request the importer to provide additional information if that customs authority considers that additional information is necessary in order to verify the originating status of the product or whether the other requirements of this Chapter are met. The customs authority of the importing Party may request the importer for specific documentation and information, if appropriate.

6. If the customs authority of the importing Party decides to suspend the granting of preferential tariff treatment to the product concerned while awaiting the results of the verification, the release of the products shall be offered to the importer subject to appropriate precautionary measures including guarantees. Any suspension of preferential tariff treatment shall be terminated as soon as possible after the customs authority of the importing Party has ascertained the originating status of the products concerned, or the fulfilment of the other requirements of this Chapter.

## **Article 62. Administrative Cooperation**

1. In order to ensure the proper application of this Chapter, the Parties shall cooperate, through the customs authority of each Party, in verifying whether a product is originating and is in compliance with the other requirements provided for in this Chapter.

2. If the claim for preferential tariff treatment was based on a statement on origin, as appropriate after having first requested information in accordance with Article 61(1) and based on the reply from the importer, the customs authority of the importing Party conducting the verification may also request information from the customs authority of the exporting

Party within a period of two years after the importation of the products, or from the moment the claim is made pursuant to point (a) of Article 55(2) if the customs authority of the importing Party conducting the verification considers that additional information is necessary in order to verify the originating status of the product or to verify that the other requirements provided for in this Chapter have been met. The request for information shall include the following elements:

- (a) the statement on origin;
- (b) the identity of the customs authority issuing the request;
- (c) the name of the exporter;
- (d) the subject and scope of the verification; and
- (e) any relevant documentation.

In addition, the customs authority of the importing Party may request the customs authority of the exporting Party to provide specific documentation and information, where appropriate.

3. The customs authority of the exporting Party may, in accordance with its laws and regulations, request documentation or examination by calling for any evidence, or by visiting the premises of the exporter, to review records and observe the facilities used in the production of the product.

4. Without prejudice to paragraph 5, the customs authority of the exporting Party receiving the request referred to in paragraph 2 shall provide the customs authority of the importing Party with the following information:

- (a) the requested documentation, where available;
- (b) an opinion on the originating status of the product;
- (c) the description of the product that is subject to examination and the tariff classification relevant to the application of this Chapter;
- (d) a description and explanation of the production process that is sufficient to support the originating status of the product;
- (e) information on the manner in which the examination of the product was conducted; and
- (f) supporting documentation, where appropriate.

5. The customs authority of the exporting Party shall not provide the information referred to in points (a), (d) and (f) of paragraph 4 to the customs authority of the importing Party if that information is deemed confidential by the exporter. 6. Each Party shall notify the other Party of the contact details of the customs authorities and shall notify the other Party of any change to those contact details within 30 days after the date of the change.

## **Article 63. Denial of Preferential Tariff Treatment**

1. Without prejudice to paragraph 3, the customs authority of the importing Party may deny preferential tariff treatment, if:

- (a) within three months after the date of a request for information pursuant to Article 61(1):
  - (i) no reply has been provided by the importer;
  - (ii) where the claim for preferential tariff treatment was based on a statement on origin, no statement on origin has been provided; or
  - (iii) where the claim for preferential tariff treatment was based on the importer's knowledge, the information provided by the importer is inadequate to confirm that the product is originating;
- (b) within three months after the date of a request for additional information pursuant to Article 61(5):
  - (i) no reply has been provided by the importer; or
  - (ii) the information provided by the importer is inadequate to confirm that the product is originating;
- (c) within 10 months after the date of a request for information pursuant to Article 62(2):
  - (i) no reply has been provided by the customs authority of the exporting Party; or

(ii) the information provided by the customs authority of the exporting Party is inadequate to confirm that the product is originating.

The period will be of 12 months for requests of information pursuant to Article 62(2) addressed to the customs authority of the exporting Party during the first three months of the application of this Agreement.

2. The customs authority of the importing Party may deny preferential tariff treatment to a product for which an importer claims preferential tariff treatment where the importer fails to comply with requirements under this Chapter other than those relating to the originating status of the products,

3. If the customs authority of the importing Party has sufficient justification to deny preferential tariff treatment under paragraph 1 of this Article, in cases where the customs authority of the exporting Party has provided an opinion pursuant to point (b) of Article 62(4) confirming the originating status of the products, the customs authority of the importing Party shall notify the customs authority of the exporting Party of its intention to deny the preferential tariff treatment within two months after the date of receipt of that opinion.

If such notification is made, consultations shall be held at the request of either Party, within three months after the date of the notification. The period for consultation may be extended on a case-by-case basis by mutual agreement between the customs authorities of the Parties. The consultation may take place in accordance with the procedure set by the Trade Specialised Committee on Customs Cooperation and Rules of Origin.

Upon the expiry of the period for consultation, if the customs authority of the importing Party cannot confirm that the product is originating, it may deny the preferential tariff treatment if it has a sufficient justification for doing so and after having granted the importer the right to be heard. However, when the customs authority of the exporting Party confirms the originating status of the products and provides justification for such conclusion, the customs authority of the importing Party shall not deny preferential tariff treatment to a product on the sole ground that Article 62(5) has been applied.

4. In all cases, the settlement of differences between the importer and the customs authority of the Party of import shall be under the law of the Party of import.

## **Article 64. Confidentiality**

1. Each Party shall maintain, in accordance with its laws and regulations, the confidentiality of any information provided to it by the other Party, pursuant to this Chapter, and shall protect that information from disclosure.

2. Where, notwithstanding Article 62(5), confidential business information has been obtained from the exporter by the customs authority of the exporting Party or importing Party through the application of Articles 61 and 62, that information shall not be disclosed.

3. Each Party shall ensure that confidential information collected pursuant to this Chapter shall not be used for purposes other than the administration and enforcement of decisions and determinations relating to origin and to customs matters, except with the permission of the person or Party who provided the confidential information.

4. Notwithstanding paragraph 3, a Party may allow information collected pursuant to this Chapter to be used in any administrative, judicial, or quasi-judicial proceedings instituted for failure to comply with customs-related laws implementing this Chapter. A Party shall notify the person or Party who provided the information in advance of such use.

## **Article 65. Administrative Measures and Sanctions**

Each Party shall ensure the effective enforcement of this Chapter. Each Party shall ensure that the competent authorities are able to impose administrative measures, and, where appropriate, sanctions, in accordance with its laws and regulations, on any person who draws up a document, or causes a document to be drawn up, which contains incorrect information that was provided for the purpose of obtaining a preferential tariff treatment for a product, who does not comply with the requirements set out in Article 59, or who does not provide the evidence, or refuses to submit to a visit, as referred to in Article 62(3).

## **Section 3. OTHER PROVISIONS**

### **Article 66. Ceuta and Melilla**

1. For purposes of this Chapter, in the case of the Union, the term "Party" does not include Ceuta and Melilla.



2. Products originating in the United Kingdom, when imported into Ceuta and Melilla, shall in all respects be subject to the same customs treatment under this Agreement as that which is applied to products originating in the customs territory of the Union under Protocol 2 of the Act of Accession of the Kingdom of Spain and the Portuguese Republic to the European Union. The United Kingdom shall grant to imports of products covered by this Agreement and originating in Ceuta and Melilla the same customs treatment as that which is granted to products imported from and originating in the Union.

3. The rules of origin and origin procedures referred to in this Chapter apply mutatis mutandis to products exported from the United Kingdom to Ceuta and Melilla and to products exported from Ceuta and Melilla to the United Kingdom.

4. Ceuta and Melilla shall be considered as a single territory.

5. Article 40 applies to import and exports of products between the Union, the United Kingdom and Ceuta and Melilla.

6. The exporters shall enter "the United Kingdom" or "Ceuta and Melilla" in field 3 of the text of the statement on origin, depending on the origin of the product.

7. The customs authority of the Kingdom of Spain shall be responsible for the application and implementation of this Chapter in Ceuta and Melilla.

## **Article 67. Transitional Provisions for Products In Transit or Storage**

The provisions of this Agreement may be applied to products which comply with the provisions of this Chapter and which on the date of entry into force of this Agreement are either in transit from the exporting Party to the importing Party or under customs control in the importing Party without payment of import duties and taxes, subject to the making of a claim for preferential tariff treatment referred to in Article 54 to the customs authority of the importing Party, within 12 months of that date.

## **Article 68. Amendment to this Chapter and Its Annexes**

The Partnership Council may amend this Chapter and its Annexes.

# **Chapter 3. SANITARY AND PHYTOSANITARY MEASURES**

## **Article 69. Objectives**

The objectives of this Chapter are to:

- (a) protect human, animal and plant life or health in the territories of the Parties while facilitating trade between the Parties;
- (b) further the implementation of the SPS Agreement;
- (c) ensure that the Parties' sanitary and phytosanitary ("SPS") measures do not create unnecessary barriers to trade;
- (d) promote greater transparency and understanding on the application of each Party's SPS measures;
- (e) enhance cooperation between the Parties in the fight against antimicrobial resistance, promotion of sustainable food systems, protection of animal welfare, and on electronic certification;
- (f) enhance cooperation in the relevant international organisations to develop international standards, guidelines and recommendations on animal health, food safety and plant health; and
- (g) promote implementation by each Party of international standards, guidelines and recommendations.

## **Article 70. Scope**

- 1. This Chapter applies to all SPS measures of a Party that may, directly or indirectly, affect trade between the Parties.
- 2. This Chapter also lays down separate provisions regarding cooperation on animal welfare, antimicrobial resistance and sustainable food systems.

## **Article 71. Definitions**

- 1. For the purposes of this Chapter, the following definitions apply:

- (a) the definitions contained in Annex A of the SPS Agreement;
- (b) the definitions adopted under the auspices of the Codex Alimentarius Commission (the "Codex");
- (c) the definitions adopted under the auspices of the World Organisation for Animal Health (the "OIE"); and
- (d) the definitions adopted under the auspices of the International Plant Protection Convention (the "IPPC").

2. For the purposes of this Chapter, the following definitions apply:

- (a) "import conditions" means any SPS measures that are required to be fulfilled for the import of products; and
- (b) "protected zone" for a specified regulated plant pest means an officially defined geographical area in which that pest is not established in spite of favourable conditions and its presence in other parts of the territory of the Party, and into which that pest is not allowed to be introduced.

3. The Trade Specialised Committee on Sanitary and Phytosanitary Measures may adopt other definitions for the purposes of this Chapter, taking into consideration the glossaries and definitions of the relevant international organisations, such as the Codex, OIE and IPPC.

4. The definitions under the SPS Agreement prevail to the extent that there is an inconsistency between the definitions adopted by the Trade Specialised Committee on Sanitary and Phytosanitary Measures or adopted under the auspices of the Codex, the OIE, the IPPC and the definitions under the SPS Agreement. In the event of an inconsistency between definitions adopted by the Trade Specialised Committee on Sanitary and Phytosanitary Measures and the definitions set out in the Codex, OIE or IPPC, the definitions set out in the Codex, OIE or IPPC shall prevail.

## **Article 72. Rights and Obligations**

The Parties reaffirm their rights and obligations under the SPS Agreement. This includes the right to adopt measures in accordance with Article 5(7) of the SPS Agreement.

## **Article 73. General Principles**

1. The Parties shall apply SPS measures for achieving their appropriate level of protection that are based on risk assessments in accordance with relevant provisions, including Article 5 of the SPS Agreement.
2. The Parties shall not use SPS measures to create unjustified barriers to trade.
3. Regarding trade-related SPS procedures and approvals established under this Chapter, each Party shall ensure that those procedures and related SPS measures:
  - (a) are initiated and completed without undue delay;
  - (b) do not include unnecessary, scientifically and technically unjustified or unduly burdensome information requests that might delay access to each other's markets;
  - (c) are not applied in a manner which would constitute arbitrary or unjustifiable discrimination against the other Party's entire territory or parts of the other Party's territory where identical or similar SPS conditions exist; and
  - (d) are proportionate to the risks identified and not more trade restrictive than necessary to achieve the importing Party's appropriate level of protection.
4. The Parties shall not use the procedures referred to in paragraph 3, or any requests for additional information, to delay access to their markets without scientific and technical justification.
5. Each Party shall ensure that any administrative procedure it requires concerning the import conditions on food safety, animal health or plant health is not more burdensome or trade restrictive than necessary to give the importing Party adequate confidence that these conditions are met. Each Party shall ensure that the negative effects on trade of any administrative procedures are kept to a minimum and that the clearance processes remain simple and expeditious while meeting the importing Party's conditions, 6. The importing Party shall not put in place any additional administrative system or procedure that unnecessarily hampers trade.

## **Article 74. Official Certification**

1. Where the importing Party requires official certificates, the model certificates shall be:

(a) set in line with the principles as laid down in the international standards of the Codex, the IPPC and the OIE; and

(b) applicable to imports from all parts of the territory of the exporting Party.

2. The Trade Specialised Committee on Sanitary and Phytosanitary Measures may agree on specific cases where the model certificates referred to in paragraph 1 would be established only for a part or parts of the territory of the exporting Party. The Parties shall promote the implementation of electronic certification and other technologies to facilitate trade.

## **Article 75. Import Conditions and Procedures**

1. Without prejudice to the rights and obligations each Party has under the SPS Agreement and this Chapter, the import conditions of the importing Party shall apply to the entire territory of the exporting Party in a consistent manner.

2. The exporting Party shall ensure that products exported to the other Party, such as animals and animal products, plants and plant products, or other related objects, meet the SPS requirements of the importing Party.

3. The importing Party may require that imports of particular products are subject to authorisation. Such authorisation shall be granted where a request is made by the relevant competent authority of the exporting Party which objectively demonstrates, to the satisfaction of the importing Party, that the authorisation requirements of the importing Party are fulfilled. The relevant competent authority of the exporting Party may make a request for authorisation in respect of the entire territory of the exporting Party. The importing Party shall grant such requests on that basis, where they fulfil the authorisation requirements of the importing Party as set out in this paragraph,

4. The importing Party shall not introduce authorisation requirements which are additional to those which apply at the end of the transition period, unless the application of such requirements to further products is justified to mitigate a significant risk to human, animal or plant health.

5. The importing Party shall establish and communicate to the other Party import conditions for all products. The importing Party shall ensure that its import conditions are applied in a proportionate and non-discriminatory manner.

6. Without prejudice to provisional measures under Article 5(7) of the SPS Agreement, for products, or other related objects, where a phytosanitary concern exists, the import conditions shall be restricted to measures to protect against regulated pests of the importing Party and shall be applicable to the entire territory of the exporting Party.

7. Notwithstanding paragraphs 1 and 3, in the case of import authorisation requests for a specific product, where the exporting Party has requested to be examined only for a part, or certain parts, of its territory (in the case of the Union, individual Member States), the importing Party shall promptly proceed to the examination of that request. Where the importing Party receives requests in respect of the specific product from more than one part of the exporting Party, or, where further requests are received in respect of a product which has already been authorised, the importing Party shall expedite completion of the authorisation procedure, taking into account the identical or similar SPS regime applicable in the different parts of the exporting Party.

8. Each Party shall ensure that all SPS control, inspection and approval procedures are initiated and completed without undue delay. Information requirements shall be limited to what is necessary for the approval process to take into account information already available in the importing Party, such as on the legislative framework and audit reports of the exporting Party.

9. Except in duly justified circumstances related to its level of protection, each Party shall provide a transition period between the publication of any changes to its approval procedures and their application to allow the other Party to become familiar with and adapt to such changes. Each Party shall not unduly prolong the approval process for applications submitted prior to publication of the changes.

10. In relation to the processes set out in paragraphs 3 to 8, the following actions shall be taken:

(a) as soon as the importing Party has positively concluded its assessment, it shall promptly take all necessary legislative and administrative measures to allow trade to take place without undue delay;

(b) the exporting Party shall:

(i) provide all relevant information required by the importing Party; and

(ii) give reasonable access to the importing Party for audit and other relevant procedures.

(c) the importing party shall establish a list of regulated pests for products, or other related objects, where a phytosanitary concern exists, That list shall contain:

(i) the pests not known to occur within any part of its own territory;

(ii) the pests known to occur within its own territory and under official control;

(iii) the pests known to occur within parts of its own territory and for which pest free areas or protected zones are established; and

(iv) non-quarantine pests known to occur within its own territory and under official control for specified planting material.

11. The importing Party shall accept consignments without requiring that the importing Party verifies compliance of those consignments before their departure from the territory of the exporting Party.

12. A Party may collect fees for the costs incurred to conduct specific SPS frontier checks, which should not exceed the recovery of the costs.

13. The importing Party shall have the right to carry out import checks on products imported from the exporting Party for the purposes of ensuring compliance with its SPS import requirements.

14. The import checks carried out on products imported from the exporting Party shall be based on the SPS risk associated with such importations. Import checks shall be carried out only to the extent necessary to protect human, animal or plant life and health, without undue delay and with a minimum effect on trade between the Parties.

15. Information on the proportion of products from the exporting Party checked at import shall be made available by the importing Party upon request of the exporting Party.

16. If import checks reveal non-compliance with the relevant import conditions the action taken by the importing Party must be based on an assessment of the risk involved and not be more trade restrictive than required to achieve the Party's appropriate level of SPS protection.

## **Article 76. Lists of Approved Establishments**

1. Whenever justified, the importing Party may maintain a list of approved establishments meeting its import requirements as a condition to allow imports of animal products from these establishments.

2. Unless justified to mitigate a significant risk to human or animal health, lists of approved establishments shall only be required for the products for which they were required at the end of the transition period.

3. The exporting Party shall inform the importing Party of its list of establishments meeting the importing Party's conditions which shall be based on guarantees provided by the exporting Party.

4. Upon a request from the exporting Party, the importing Party shall approve establishments which are situated in the territory of the exporting Party, based on guarantees provided by the exporting Party, without prior inspection of individual establishments.

5. Unless the importing Party requests additional information and subject to guarantees being provided by the exporting party, the importing Party shall take the necessary legislative or administrative measures, in accordance with its applicable legal procedures, to allow imports from those establishments without undue delay.

6. The list of the approved establishments shall be made publicly available by the importing Party.

7. Where the importing Party decides to reject the request of the exporting Party to accept adding an establishment to the list of approved establishments, it shall inform the exporting Party without delay and shall submit a reply, including information about the non-conformities which led to the rejection of the establishment's approval.

## **Article 77. Transparency and Exchange of Information**

1. Each Party shall pursue transparency as regards SPS measures applicable to trade and shall for those purposes undertake the following actions:

(a) promptly communicate to the other Party any changes to its SPS measures and approval procedures, including changes that may affect its capacity to fulfil the SPS import requirements of the other Party for certain products;

- (b) enhance mutual understanding of its SPS measures and their application;
  - (c) exchange information with the other Party on matters related to the development and application of SPS measures, including the progress on new available scientific evidence, that affect, or may affect, trade between the Parties with a view to minimising negative trade effects;
  - (d) upon request of the other Party, communicate the conditions that apply for the import of specific products within 20 working days;
  - (e) upon request of the other Party, communicate the state of play of the procedure for the authorisation of specific products within 20 working days;
  - (f) communicate to the other Party any significant change to the structure or organisation of a Party's competent authority;
  - (g) on request, communicate the results of a Party's official control and a report that concerns the results of the control carried out;
  - (h) on request, communicate the results of an import check provided for in case of a rejected or a non-compliant consignment; and
- G) on request, communicate, without undue delay, a risk assessment or scientific opinion produced by a Party that is relevant to this Chapter.

2. Where a Party has made available the information in paragraph 1 via notification to the WTO's Central Registry of Notifications or to the relevant international standard-setting body, in accordance with its relevant rules, the requirements in paragraph 1, as they apply to that information, are fulfilled.

## **Article 78. Adaptation to Regional Conditions**

1. The Parties shall recognise the concept of zoning including disease or pest-free areas, protected zones and areas of low disease or pest prevalence and shall apply it to the trade between the Parties, in accordance with the SPS Agreement, including the guidelines to further the practical implementation of Article 6 of the SPS Agreement (WTO/SPS Committee Decision G/SPS/48) and the relevant recommendations, standards and guidelines of the OIE and IPPC. The Trade Specialised Committee on Sanitary and Phytosanitary Measures may define further details for these procedures, taking into account any relevant SPS Agreement, OIE and IPPC standards, guidelines or recommendations.
2. The Parties may also agree to cooperate on the concept of compartmentalisation as referred to in Chapters 4.4 and 4.5 of the OIE Terrestrial Animal Health Code and Chapters 4.1 and 4.2 of the OIE Aquatic Animal Health Code.
3. When establishing or maintaining the zones referred to in paragraph 1, the Parties shall consider factors such as geographical location, ecosystems, epidemiological surveillance and the effectiveness of SPS controls.
4. With regard to animals and animal products, when establishing or maintaining import conditions upon the request of the exporting Party, the importing Party shall recognise the disease-free areas established by the exporting Party as a basis for consideration towards the determination of allowing or maintaining the import, without prejudice to paragraphs 8 and 9.
5. The exporting Party shall identify the parts of its territory referred to in paragraph 4 and, if requested, provide a full explanation and supporting data based on the OIE standards, or in other ways established by the Trade Specialised Committee on Sanitary and Phytosanitary Measures, based on the knowledge acquired through experience of the exporting Party's relevant authorities.
6. With regard to plants, plant products, and other related objects, when establishing or maintaining phytosanitary import conditions on request of the exporting Party, the importing Party shall recognise the pest-free areas, pest-free places of production, pest-free production sites, areas of low pest prevalence and protected zones established by the exporting Party as a basis for consideration towards the determination to allow or maintain the import, without prejudice to paragraphs 8 and 9.
7. The exporting Party shall identify its pest-free areas, pest-free places of production, pest-free production sites and areas of low pest prevalence or protected zones. If requested by the importing Party, the exporting Party shall provide a full explanation and supporting data based on the International Standards for Phytosanitary Measures developed under the IPPC, or in other ways established by the Trade Specialised Committee on Sanitary and Phytosanitary Measures, based on the knowledge acquired through experience of the exporting Party's relevant phytosanitary authorities.
8. The Parties shall recognise disease-free areas and protected zones which are in place at the end of the transition period.

9. Paragraph 8 shall also apply to subsequent adaptations to the disease-free areas and protected zones (in the case of the United Kingdom pest-free areas), except in cases of significant changes in the disease or pest situations.

10. The Parties may carry out audits and verifications pursuant to Article 79 to implement paragraphs 4 to 9 of this Article.

11. The Parties shall establish close cooperation with the objective of maintaining confidence in the procedures in relation to the establishment of disease- or pest-free areas, pest-free places of production, pest-free production sites and areas of low pest or disease prevalence and protected zones, with the aim to minimise trade disruption.

12. The importing Party shall base its own determination of the animal or plant health status of the exporting Party or parts thereof on the information provided by the exporting Party in accordance with the SPS Agreement, OJE and IPPC standards, and take into consideration any determination made by the exporting Party.

13. Where the importing Party does not accept the determination made by the exporting Party as referred to in paragraph 12 of this Article, the importing Party shall objectively justify and explain to the exporting Party the reasons for that rejection and, upon request, hold consultations, in accordance with Article 80(2).

14. Each Party shall ensure that the obligations set out in paragraphs 4 to 9, 12 and 13 are carried out without undue delay. The importing Party will expedite the recognition of the disease or pest status when the status has been recovered after an outbreak.

15. Where a Party considers that a specific region has a special status with respect to a specific disease and which fulfils the criteria laid down in the OJE Terrestrial Animal Health Code Chapter 1.2 or the OIE Aquatic Animal Health Code Chapter 1.2, it may request recognition of this status. The importing Party may request additional guarantees in respect of imports of live animals and animal products appropriate to the agreed status.

## **Article 79. Audits and Verifications**

1. The importing Party may carry out audits and verifications of the following:

(a) all or part of the other Party's authorities' inspection and certification system;

(b) the results of the controls carried out under the exporting Party's inspection and certification system.

2. The Parties shall carry out those audits and verifications in accordance with the provisions of the SPS Agreement, taking into account the relevant international standards, guidelines and recommendations of the Codex, OIE or IPPC.

3. For the purposes of carrying out such audits and verifications, the importing Party may conduct audits and verifications by means of requests of information from the exporting Party or audit and verification visits to the exporting Party, which may include:

(a) an assessment of all or part of the responsible authorities' total control programme, including, where appropriate, reviews of regulatory audit and inspection activities;

(b) on-the-spot checks; and

(c) the collection of information and data to assess the causes of recurring or emerging problems in relation to exports of products.

4. The importing Party shall share with the exporting Party the results and conclusions of the audits and verifications carried out pursuant to paragraph 1. The importing Party may make these results publicly available.

5. Prior to the commencement of an audit or verification, the Parties shall discuss the objectives and scope of the audit or verification, the criteria or requirements against which the exporting Party will be assessed, and the itinerary and procedures for conducting the audit or verification which shall be laid down in an audit or verification plan. Unless otherwise agreed by the Parties, the importing Party shall provide the exporting Party with an audit or verification plan at least 30 days prior to the commencement of the audit or verification.

6. The importing Party shall provide the exporting Party the opportunity to comment on the draft audit or verification report. The importing Party shall provide a final report in writing to the exporting Party normally within two months from the date of receipt of those comments.

7. Each Party shall bear its own costs associated with such an audit or verification.

## **Article 80. Notification and Consultation**

1. A Party shall notify the other Party without undue delay of:

(a) a significant change to pest or disease status;

(b) the emergence of a new animal disease;

(c) a finding of epidemiological importance with respect to an animal disease;

(d) a significant food safety issue identified by a Party;

(e) any additional measures beyond the basic requirements of their respective SPS measures taken to control or eradicate animal disease or protect human health, and any changes in preventive policies, including vaccination policies;

(f) on request, the results of a Party's official control and a report that concerns the results of the control carried out; and

(g) any significant changes to the functions of a system or database.

2. If a Party has a significant concern with respect to food safety, plant health, or animal health, or an SPS measure that the other Party has proposed or implemented, that Party may request technical consultations with the other Party. The requested Party should respond to the request without undue delay. Each Party shall endeavour to provide the information necessary to avoid a disruption to trade and, as the case may be, to reach a mutually acceptable solution.

3. Consultations referred to in paragraph 2 may be held via telephone conference, videoconference, or any other means of communication mutually agreed on by the Parties.

## **Article 81. Emergency Measures**

1. If the importing Party considers that there is a serious risk to human, animal or plant life and health, it may take without prior notification the necessary measures for the protection of human, animal or plant life and health. For consignments that are in transit between the Parties, the importing Party shall consider the most suitable and proportionate solution to avoid unnecessary disruptions to trade.

2. The Party taking the measures shall notify the other Party of an emergency SPS measure as soon as possible after its decision to implement the measure and no later than 24 hours after the decision has been taken. If a Party requests technical consultations to address the emergency SPS measure, the technical consultations must be held within 10 days of the notification of the emergency SPS measure. The Parties shall consider any information provided through the technical consultations. These consultations shall be carried out in order to avoid unnecessary disruptions to trade. The Parties may consider options for the facilitation of the implementation or the replacement of the measures.

3. The importing Party shall consider, in a timely manner, information that was provided by the exporting Party when it makes its decision with respect to consignments that, at the time of adoption of the emergency SPS measure, are being transported between the Parties, in order to avoid unnecessary disruptions to trade.

4. The importing Party shall ensure that any emergency measure taken on the grounds referred to in paragraph 1 of this Article is not maintained without scientific evidence or, in cases where scientific evidence is insufficient, is adopted in accordance with Article 5(7) of the SPS Agreement.

## **Article 82. Multilateral International Fora**

The Parties agree to cooperate in multilateral international fora on the development of international standards, guidelines and recommendations in the areas under the scope of this Chapter.

## **Article 83. Implementation and Competent Authorities**

1. For the purposes of the implementation of this Chapter, each Party shall take all of the following into account:

(a) decisions of the WTO SPS Committee;

(b) the work of the relevant international standard setting bodies;

(c) any knowledge and past experience it has of trading with the exporting Party; and (d) information provided by the other Party.

2. The Parties shall, without delay, provide each other with a description of the competent authorities of the Parties for the implementation of this Chapter. The Parties shall notify each other of any significant change to these competent authorities.
3. Each Party shall ensure that its competent authorities have the necessary resources to effectively implement this Chapter.

## **Article 84. Cooperation on Animal Welfare**

1. The Parties recognise that animals are sentient beings. They also recognise the connection between improved welfare of animals and sustainable food production systems.
2. The Parties undertake to cooperate in international fora to promote the development of the best possible animal welfare practices and their implementation. In particular, the Parties shall cooperate to reinforce and broaden the scope of the OIE animal welfare standards, as well as their implementation, with a focus on farmed animals.
3. The Parties shall exchange information, expertise and experiences in the field of animal welfare, particularly related to breeding, holding, handling, transportation and slaughter of food-producing animals.
4. The Parties shall strengthen their cooperation on research in the area of animal welfare in relation to animal breeding and the treatment of animals on farms, during transport and at slaughter.

## **Article 85. Cooperation on Antimicrobial Resistance**

1. The Parties shall provide a framework for dialogue and cooperation with a view to strengthening the fight against the development of antimicrobial resistance.
2. The Parties recognise that antimicrobial resistance is a serious threat to human and animal health. Misuse of antimicrobials in animal production, including non-therapeutic use, can contribute to antimicrobial resistance that may represent a risk to human life. The Parties recognise that the nature of the threat requires a transnational and One Health approach.
3. With a view to combating antimicrobial resistance, the Parties shall endeavour to cooperate internationally with regional or multilateral work programmes to reduce the unnecessary use of antibiotics in animal production and to work towards the cessation of the use of antibiotics as growth promoters internationally to combat antimicrobial resistance in line with the One Health approach, and in compliance with the Global Action Plan.
4. The Parties shall collaborate in the development of international guidelines, standards, recommendations and actions in relevant international organisations aiming to promote the prudent and responsible use of antibiotics in animal husbandry and veterinary practices.
5. The dialogue referred to in paragraph 1 shall cover, inter alia:
  - (a) collaboration to follow up existing and future guidelines, standards, recommendations and actions developed in relevant international organisations and existing and future initiatives and national plans aiming to promote the prudent and responsible use of antibiotics and relating to animal production and veterinary practices;
  - (b) collaboration in the implementation of the recommendations of OIE, WHO and Codex, in particular CAC-RCP61/2005;
  - (c) the exchange of information on good farming practices;
  - (d) the promotion of research, innovation and development;
  - (e) the promotion of multidisciplinary approaches to combat antimicrobial resistance, including the One Health approach of the WHO, OIE and Codex.

## **Article 86. Sustainable Food Systems**

Each Party shall encourage its food safety, animal and plant health services to cooperate with their counterparts in the other Party with the aim of promoting sustainable food production methods and food systems.

## **Article 87. Trade Specialised Committee on Sanitary and Phytosanitary Measures**

The Trade Specialised Committee on Sanitary and Phytosanitary Measures shall supervise the implementation and operation of this Chapter and have the following functions:



- (a) promptly clarifying and addressing, where possible, any issue raised by a Party relating to the development, adoption or application of sanitary and phytosanitary requirements, standards and recommendations under this Chapter or the SPS Agreement;
- (b) discussing ongoing processes on the development of new regulations;
- (c) discussing as expeditiously as possible concerns expressed by a Party with regard to the SPS import conditions and procedures applied by the other Party;
- (d) regularly reviewing the Parties' SPS measures, including certification requirements and border clearance processes, and their application, in order to facilitate trade between the Parties, in accordance with the principles, objectives and procedures set out in Article 5 of the SPS Agreement. Each Party shall identify any appropriate action it will take, including in relation to the frequency of identity and physical checks, taking into consideration the results of this review and based on the criteria laid down in Annex 10 of this Agreement;
- (e) exchanging views, information, and experiences with respect to the cooperation activities on protecting animal welfare and the fight against antimicrobial resistance carried out under Articles 84 and 85;
- (f) on request of a Party, considering what constitutes a significant change in the disease or pest situation referred to in Article 78(9);
- (g) adopting decisions to:
  - (i) add definitions as referred to in Article 71;
  - (ii) define the specific cases referred to in Article 74(2);
  - (iii) define details for the procedures referred to in Article 78(1);
  - (iv) establish other ways to support the explanations referred to in Article 78(5) and (7).

## **Chapter 4. TECHNICAL BARRIERS TO TRADE**

### **Article 88. Objective**

The objective of this Chapter is to facilitate trade in goods between the Parties by preventing, identifying and eliminating unnecessary technical barriers to trade.

### **Article 89. Scope**

1. This Chapter applies to the preparation, adoption and application of all standards, technical regulations and conformity assessment procedures, which may affect trade in goods between the Parties.

2. This Chapter does not apply to:

(a) purchasing specifications prepared by governmental bodies for production or consumption requirements of such bodies;  
or

(b) SPS measures that fall within the scope of Chapter 3 of this Title.

3. The Annexes to this Chapter apply in addition to this Chapter in respect of products within the scope of those Annexes. Any provision in an Annex to this Chapter that an international standard or body or organisation is to be considered or recognised as relevant shall not prevent a standard developed by any other body or organisation from being considered to be a relevant international standard pursuant to Article 91(4) and (5).

### **Article 90. Relationship with the TBT Agreement**

1. Articles 2 to 9 of and Annexes 1 and 3 to the TBT Agreement are incorporated into and made part of this Agreement *mutatis mutandis*.

2. Terms referred to in this Chapter and in the Annexes to this Chapter shall have the same meaning as they have in the TBT Agreement.

### **Article 91. Technical Regulations**

1. Each Party shall carry out impact assessments of planned technical regulations in accordance with its respective rules and procedures. The rules and procedures referred to in this paragraph and in paragraph 8 may provide for exceptions.
2. Each Party shall assess the available regulatory and non-regulatory alternatives to the proposed technical regulation that may fulfil the Party's legitimate objectives, in accordance with Article 2.2 of the TBT Agreement.
3. Each Party shall use relevant international standards as a basis for its technical regulations except when it can demonstrate that such international standards would be an ineffective or inappropriate means for the fulfilment of the legitimate objectives pursued.
4. International standards developed by the International Organization for Standardization (ISO), the International Electrotechnical Commission (IEC), the International Telecommunication Union (ITU) and the Codex Alimentarius Commission (Codex) shall be the relevant international standards within the meaning of Article 2, Article 5 and Annex 3 of the TBT Agreement.
5. A standard developed by other international organisations may also be considered a relevant international standard within the meaning of Article 2, Article 5 and Annex 3 of the TBT Agreement, provided that:
  - (a) it has been developed by a standardising body which seeks to establish consensus either:
    - (i) among national delegations of the participating WTO Members representing all the national standardising bodies in their territory that have adopted, or expect to adopt, standards on the subject matter to which the international standardisation activity relates, or,
    - (ii) among governmental bodies of participating WTO Members; and
  - (b) it has been developed in accordance with the Decision of the WTO Committee on Technical Barriers to Trade on Principles for the Development of International Standards, Guides and Recommendations with relation to Articles 2, 5, and Annex 3 of the TBT Agreement. (1)
6. Where a Party does not use international standards as a basis for a technical regulation, on request of the other Party, it shall identify any substantial deviation from the relevant international standard, explain the reasons why such standards were judged inappropriate or ineffective for the objective pursued, and provide the scientific or technical evidence on which that assessment was based.
7. Each Party shall review its technical regulations to increase the convergence of those technical regulations with relevant international standards, taking into account, inter alia, any new developments in the relevant international standards or any changes in the circumstances that have given rise to divergence from any relevant international standards.
8. In accordance with its respective rules and procedures and without prejudice to Title X of this Heading, when developing a major technical regulation which may have a significant effect on trade, each Party shall ensure that procedures exist that allow persons to express their opinion in a public consultation, except where urgent problems of safety, health, environment or national security arise or threaten to arise. Each Party shall allow persons of the other Party to participate in such consultations on terms that are no less favourable than those accorded to its own nationals, and shall make the results of those consultations public.

(1) G/TBT/9, 13 November 2000, Annex 4.

## **Article 92. Standards**

1. Each Party shall encourage the standardising bodies established within its territory, as well as the regional standardising bodies of which a Party or the standardising bodies established in its territory are members:
  - (a) to participate, within the limits of their resources, in the preparation of international standards by relevant international standardising bodies;
  - (b) to use relevant international standards as a basis for the standards they develop, except where such international standards would be ineffective or inappropriate, for example because of an insufficient level of protection, fundamental climatic or geographical factors or fundamental technological problems;
  - (c) to avoid duplications of, or overlaps with, the work of international standardising bodies;

(d) to review national and regional standards that are not based on relevant international standards at regular intervals, with a view to increasing the convergence of those standards with relevant international standards;

(e) to cooperate with the relevant standardising bodies of the other Party in international standardisation activities, including through cooperation in the international standardising bodies or at regional level;

(f) to foster bilateral cooperation with the standardising bodies of the other Party; and

(g) to exchange information between standardising bodies.

2. The Parties shall exchange information on:

(a) their respective use of standards in support of technical regulations; and

(b) their respective standardisation processes, and the extent to which they use international, regional or sub-regional standards as a basis for their national standards.

3. Where standards are rendered mandatory in a draft technical regulation or conformity assessment procedure, through incorporation or reference, the transparency obligations set out in Article 94 and in Article 2 or 5 of the TBT Agreement shall apply.

## **Article 93. Conformity Assessment**

1. Article 91 concerning the preparation, adoption and application of technical regulations shall also apply to conformity assessment procedures, *mutatis mutandis*.

2. Where a Party requires conformity assessment as a positive assurance that a product conforms with a technical regulation, it shall:

(a) select conformity assessment procedures that are proportionate to the risks involved, as determined on the basis of a risk-assessment;

(b) consider as proof of compliance with technical regulations the use of a supplier's declaration of conformity, i.e. a declaration of conformity issued by the manufacturer on the sole responsibility of the manufacturer without a mandatory third-party assessment, as assurance of conformity among the options for showing compliance with technical regulations;

(c) where requested by the other Party, provide information on the criteria used to select the conformity assessment procedures for specific products. 3. Where a Party requires third party conformity assessment as a positive assurance that a product conforms with a technical regulation and it has not reserved this task to a government authority as specified in paragraph 4, it shall:

(a) use accreditation, as appropriate, as a means to demonstrate technical competence to qualify conformity assessment bodies. Without prejudice to its right to establish requirements for conformity assessment bodies, each Party recognises the valuable role that accreditation operated with authority derived from government and on a non-commercial basis can play in the qualification of conformity assessment bodies;

(b) use relevant international standards for accreditation and conformity assessment;

(c) encourage accreditation bodies and conformity assessment bodies located within its territory to join any relevant functioning international agreements or arrangements for harmonisation or facilitation of acceptance of conformity assessment results;

(d) if two or more conformity assessment bodies are authorised by a Party to carry out conformity assessment procedures required for placing a product on the market, ensure that economic operators have a choice amongst the conformity assessment bodies designated by the authorities of a Party for a particular product or set of products;

(e) ensure that conformity assessment bodies are independent of manufacturers, importers and economic operators in general and that there are no conflicts of interest between accreditation bodies and conformity assessment bodies;

(f) allow conformity assessment bodies to use subcontractors to perform testing or inspections in relation to the conformity assessment, including subcontractors located in the territory of the other Party, and may require subcontractors to meet the same requirements the conformity assessment body must meet to perform such testing or inspections itself; and

(g) publish on a single website a list of the bodies that it has designated to perform such conformity assessment and the relevant information on the scope of designation of each such body.

4. Nothing in this Article shall preclude a Party from requiring that conformity assessment in relation to specific products is performed by its specified government authorities. If a Party requires that conformity assessment is performed by its specified government authorities, that Party shall:

(a) limit the conformity assessment fees to the approximate cost of the services rendered and, at the request of an applicant for conformity assessment, explain how any fees it imposes for that conformity assessment are limited to the approximate cost of services rendered; and

(b) make publicly available the conformity assessment fees.

5. Notwithstanding paragraphs 2 to 4, each Party shall accept a supplier's declaration of conformity as proof of compliance with its technical regulations in those product areas where it does so on the date of entry into force of this Agreement.

6. Each Party shall publish and maintain a list of the product areas referred to in paragraph 5 for information purposes, together with the references to the applicable technical regulations.

7. Notwithstanding paragraph 5, either Party may introduce requirements for the mandatory third party testing or certification of the product areas referred to in that paragraph, provided that such requirements are justified on grounds of legitimate objectives and are proportionate to the purpose of giving the importing Party adequate confidence that products conform with the applicable technical regulations or standards, taking account of the risks that non-conformity would create.

8. A Party proposing to introduce the conformity assessment procedures referred to in paragraph 7 shall notify the other Party at an early stage and shall take the comments of the other Party into account in devising any such conformity assessment procedures.

## **Article 94. Transparency**

1. Except where urgent problems of safety, health, environmental protection or national security arise or threaten to arise, each Party shall allow the other Party to provide written comments on notified proposed technical regulations and conformity assessment procedures within a period of at least 60 days from the date of the transmission of the notification of such regulations or procedures to the WTO Central Registry of Notifications. A Party shall give positive consideration to a reasonable request to extend that comment period.

2. Each Party shall provide the electronic version of the full notified text together with the notification. In the event that the notified text is not in one of the official WTO languages, the notifying Party shall provide a detailed and comprehensive description of the content of the measure in the WTO notification format.

3. If a Party receives written comments on its proposed technical regulation or conformity assessment procedure from the other Party, it shall:

(a) if requested by the other Party, discuss the written comments with the participation of its competent regulatory authority, at a time when they can be taken into account; and

(b) reply in writing to the comments no later than the date of publication of the technical regulation or conformity assessment procedure.

4. Each Party shall endeavour to publish on a website its responses to the comments it receives following the notification referred to in paragraph 1 no later than on the date of publication of the adopted technical regulation or conformity assessment procedure.

5. Each Party shall, where requested by the other Party, provide information regarding the objectives of, legal basis for and rationale for, any technical regulation or conformity assessment procedure that the Party has adopted or is proposing to adopt.

6. Each Party shall ensure that the technical regulations and conformity assessment procedures it has adopted are published on a website that is accessible free of charge.

7. Each Party shall provide information on the adoption and the entry into force of technical regulations or conformity assessment procedures and the adopted final texts through an addendum to the original notification to the WTO.

8. Each Party shall allow a reasonable interval between the publication of technical regulations and their entry into force, in order to allow time for the economic operators of the other Party to adapt. "Reasonable interval" means a period of at least six months, unless this would be ineffective in fulfilling the legitimate objectives pursued.

9. A Party shall give positive consideration to a reasonable request from the other Party received prior to the end of the comment period set out in paragraph 1 to extend the period of time between the adoption of the technical regulation and its entry into force, except where the delay would be ineffective in fulfilling the legitimate objectives pursued.

10. Each Party shall ensure that the enquiry point established in accordance with Article 10 of the TBT Agreement provides information and answers in one of the official WTO languages to reasonable enquiries from the other Party or from interested persons of the other Party regarding adopted technical regulations and conformity assessment procedures.

## **Article 95. Marking and Labelling**

1. The technical regulations of a Party may include or exclusively address mandatory marking or labelling requirements. In such cases, the principles of Article 2.2 of the TBT Agreement apply to these technical regulations.

2. Where a Party requires mandatory marking or labelling of products, all of the following conditions shall apply:

(a) it shall only require information which is relevant for consumers or users of the product or information that indicates that the product conforms to the mandatory technical requirements;

(b) it shall not require any prior approval, registration or certification of the labels or markings of products, nor any fee disbursement, as a precondition for placing on its market products that otherwise comply with its mandatory technical requirements unless it is necessary in view of legitimate objectives;

(c) where the Party requires the use of a unique identification number by economic operators, it shall issue such a number to the economic operators of the other Party without undue delay and on a non-discriminatory basis;

(d) unless the information listed in point (i), (ii) or (iii) would be misleading, contradictory or confusing in relation to the information that the importing Party requires with respect to the goods, the importing Party shall permit:

(i) information in other languages in addition to the language required in the importing Party of the goods;

(ii) internationally-accepted nomenclatures, pictograms, symbols or graphics; and

(iii) additional information to that required in the importing Party of the goods;

(e) it shall accept that labelling, including supplementary labelling or corrections to labelling, take place in customs warehouses or other designated areas in the country of import as an alternative to labelling in the country of origin, unless such labelling is required to be carried out by approved persons for reasons of public health or safety; and

(f) unless it considers that legitimate objectives may be undermined, it shall endeavour to accept the use of non-permanent or detachable labels, or marking or labelling in the accompanying documentation, rather than requiring labels or marking to be physically attached to the product.

## **Article 96. Cooperation on Market Surveillance and Non-food Product Safety and Compliance**

1. The Parties recognise the importance of cooperation on market surveillance, compliance and the safety of non-food products for the facilitation of trade and for the protection of consumers and other users, and the importance of building mutual trust based on shared information.

2. To guarantee the independent and impartial functioning of market surveillance, the Parties shall ensure:

(a) the separation of market surveillance functions from conformity assessment functions; and

(b) the absence of any interests that would affect the impartiality of market surveillance authorities in the performance of their control or supervision of economic operators.

3. The Parties shall cooperate and exchange information in the area of non-food product safety and compliance, which may include in particular the following:

(a) market surveillance and enforcement activities and measures;

(b) risk assessment methods and product testing;

(c) coordinated product recalls or other similar actions;

- (d) scientific, technical and regulatory matters in order to improve non-food product safety and compliance;
- (e) emerging issues of significant health and safety relevance;
- (f) standardisation-related activities;
- (g) exchanges of officials.

4. The Partnership Council shall use its best endeavours to establish in Annex 16, as soon as possible and preferably within six months of entry into force of this Agreement, an arrangement for the regular exchange of information between the Rapid Alert System for non-food products (RAPEX), or its successor, and the database relating to market surveillance and product safety established under the General Product Safety Regulations 2005, or its successor, in relation to the safety of non-food products and related preventive, restrictive and corrective measures.

The arrangement shall set out the modalities under which:

- (a) the Union is to provide the United Kingdom with selected information from its RAPEX alert system, or its successor, as referred to in Directive 2001/95/EC of the European Parliament and of the Council of 3 December 2001 on general product safety, or its successor;
- (b) the United Kingdom is to provide the Union with selected information from its database relating to market surveillance and product safety established under the General Product Safety Regulations 2005, or its successor; and
- (c) the Parties are to inform each other of any follow-up actions and measures taken in response to the information exchanged.

5. The Partnership Council may establish in Annex 17 an arrangement on the regular exchange of information, including the exchange of information by electronic means, regarding measures taken on non-compliant non-food products, other than those covered by paragraph 4.

6. Each Party shall use the information obtained pursuant to paragraphs 3, 4 and 5 for the sole purpose of protecting consumers, health, safety or the environment.

7. Each Party shall treat the information obtained pursuant to paragraphs 3, 4 and 5 as confidential.

8. The arrangements referred to in paragraphs 4 and 5 shall specify the type of information to be exchanged, the modalities for the exchange and the application of confidentiality and personal data protection rules. The Partnership Council shall have the power to adopt decisions in order to determine or amend the arrangements set out in Annexes 16 and 17.

9. For the purposes of this Article, "market surveillance" means activities conducted and measures taken by market surveillance and enforcement authorities, including activities conducted and measures taken in cooperation with economic operators, on the basis of procedures of a Party to enable that Party to monitor or address safety of products and their compliance with the requirements set out in its laws and regulations.

10. Each Party shall ensure that any measure taken by its market surveillance or enforcement authorities to withdraw or recall from its market or to prohibit or restrict the making available on its market of a product imported from the territory of the other Party, for reasons related to non-compliance with the applicable legislation, is proportionate, states the exact grounds on which the measure is based and is communicated without delay to the relevant economic operator.

## **Article 97. Technical Discussions**

1. If a Party considers that a draft or proposed technical regulation or conformity assessment procedure of the other Party might have a significant effect on trade between the Parties, it may request technical discussions on the matter. The request shall be made in writing to the other Party and shall identify:

- (a) the measure at issue;
- (b) the provisions of this Chapter or of an Annex to this Chapter to which the concerns relate; and
- (c) the reasons for the request, including a description of the requesting Party's concerns regarding the measure.

2. A Party shall deliver its request to the contact point of the other Party designated pursuant to Article 99.

3. At the request of either Party, the Parties shall meet to discuss the concerns raised in the request, in person or via videoconference or teleconference, within 60 days of the date of the request and shall endeavour to resolve the matter as

expeditiously as possible. If a requesting Party believes that the matter is urgent, it may request that any meeting take place within a shorter time frame. In such cases, the responding Party shall give positive consideration to such a request.

## **Article 98. Cooperation**

1. The Parties shall cooperate in the field of technical regulations, standards and conformity assessment procedures, where it is in their mutual interest, and without prejudice to the autonomy of their own respective decision-making and legal orders. The Trade Specialised Committee on Technical Barriers to Trade may exchange views with respect to the cooperation activities carried out under this Article or the Annexes to this Chapter.

2. For the purposes of paragraph 1, the Parties shall seek to identify, develop and promote cooperation activities of mutual interest. These activities may in particular relate to:

(a) the exchange of information, experience and data related to technical regulations, standards and conformity assessment procedures;

(b) ensuring efficient interaction and cooperation of their respective regulatory authorities at international, regional or national level;

(c) exchanging information, to the extent possible, about international agreements and arrangements regarding technical barriers to trade to which one or both Parties are party; and

(d) establishment of or participation in trade facilitating initiatives.

3. For the purposes of this Article and the provisions on cooperation under the Annexes to this Chapter, the European Commission shall act on behalf of the Union.

## **Article 99. Contact Points**

1. Upon the entry into force of this Agreement, each Party shall designate a contact point for the implementation of this Chapter and shall notify the other Party of the contact details for the contact point, including information regarding the relevant officials. The Parties shall promptly notify each other of any change of those contact details.

2. The contact point shall provide any information or explanation requested by the contact point of the other Party in relation to the implementation of this Chapter within a reasonable period of time and, if possible, within 60 days of the date of receipt of the request.

## **Article 100. Trade Specialised Committee on Technical Barriers to Trade**

The Trade Specialised Committee on Technical Barriers to Trade shall supervise the implementation and operation of this Chapter and its Annexes and shall promptly clarify and address, where possible, any issue raised by a Party relating to the development, adoption or application of technical regulations, standards and conformity assessment procedures under this Chapter or the TBT Agreement.

# **Chapter 5. CUSTOMS AND TRADE FACILITATION**

## **Article 101. Objective**

The objectives of this Chapter are:

(a) to reinforce cooperation between the Parties in the area of customs and trade facilitation and to support or maintain, where relevant, appropriate levels of compatibility of their customs legislation and practices with a view to ensuring that relevant legislation and procedures, as well as the administrative capacity of the relevant administrations, fulfil the objectives of promoting trade facilitation while ensuring effective customs controls and effective enforcement of customs legislation and trade related laws and regulations, the proper protection of security and safety of citizens and the respect of prohibitions and restrictions and financial interests of the Parties;

(b) to reinforce administrative cooperation between the Parties in the field of VAT and mutual assistance in claims related to taxes and duties;

(c) to ensure that the legislation of each Party is non-discriminatory and that customs procedures are based upon the use of modern methods and effective controls to combat fraud and to promote legitimate trade; and

(d) to ensure that legitimate public policy objectives, including in relation to security, safety and the fight against fraud are not compromised in any way.

## **Article 102. Definitions**

For the purposes of this Chapter and Annex 18 and the Protocol on mutual administrative assistance in customs matters and the Protocol on administrative cooperation and combating fraud in the field of Value Added Tax and on mutual assistance for the recovery of claims relating to taxes and duties, the following definitions apply:

- (a) "Agreement on Pre-shipment Inspection" means the Agreement on Pre-shipment Inspection, contained in Annex 1A to the WTO Agreement;
- (b) "ATA and Istanbul Conventions" means the Customs Convention on the ATA Carnet for the Temporary Admission of Goods done in Brussels on 6 December 1961 and the Istanbul Convention on Temporary Admission done on 26 June 1990;
- (c) "Common Transit Convention" means the Convention of 20 May 1987 on a common transit procedure;
- (d) "Customs Data Model of the WCO" means the library of data components and electronic templates for the exchange of business data and compilation of international standards on data and information used in applying regulatory facilitation and controls in global trade, as published by the WCO Data Model Project Team from time to time;
- (e) "customs legislation" means any legal or regulatory provision applicable in the territory of either Party, governing the entry or import of goods, exit or export of goods, the transit of goods and the placing of goods under any other customs regime or procedure, including measures of prohibition, restriction and control;
- (f) "information" means any data, document, image, report, communication or authenticated copy, in any format, including in electronic format, whether or not processed or analysed;
- (g) "person" means any person as defined in point (1) of Article 512 (1);
- (h) "SAFE Framework" means the SAFE Framework of Standards to Secure and Facilitate Global Trade adopted at the June 2005 World Customs Organisation Session in Brussels and as updated from time to time; and
- (i) "WTO Trade Facilitation Agreement" means the Agreement on Trade Facilitation annexed to the Protocol Amending the WTO Agreement (decision of 27 November 2014).

(1) For greater certainty, it is understood that, in particular for the purposes of this Chapter, the notion of "person" includes any association of persons lacking the legal status of a legal person but recognized under applicable law as having the capacity to perform legal acts.

## **Article 103. Customs Cooperation**

1. The relevant authorities of the Parties shall cooperate on customs matters to support the objectives set out in Article 101, taking into account the resources of their respective authorities. For the purpose of this Title, the Convention of 20 May 1987 on the Simplification of Formalities in Trade in Goods applies.

2. The Parties shall develop cooperation, including in the following areas:

(a) exchanging information concerning customs legislation, the implementation of customs legislation and customs procedures; particularly in the following areas:

- (i) the simplification and modernisation of customs procedures;
- (ii) the facilitation of transit movements and transshipment;
- (iii) relations with the business community; and
- (iv) supply chain security and risk management;

(b) working together on the customs-related aspects of securing and facilitating the international trade supply chain in accordance with the SAFE Framework;

(c) considering developing joint initiatives relating to import, export and other customs procedures including technical assistance, as well as towards ensuring an effective service to the business community;



(d) strengthening their cooperation in the field of customs in international organisations such as the WTO and the WCO, and exchanging information or holding discussions with a view to establishing where possible common positions in those international organisations and in UNCTAD, UNECE;

(e) endeavouring to harmonise their data requirements for import, export and other customs procedures by implementing common standards and data elements in accordance with the Customs Data Model of the WCO;

(f) strengthening their cooperation on risk management techniques, including sharing best practices, and, where appropriate, risk information and control results. Where relevant and appropriate, the Parties may also consider mutual recognition of risk management techniques, risk standards and controls and customs security measures; the Parties may also consider, where relevant and appropriate, the development of compatible risk criteria and standards, control measures and priority control areas;

(g) establishing mutual recognition of Authorised Economic Operator programmes to secure and facilitate trade;

(h) fostering cooperation between customs and other government authorities or agencies in relation to Authorised Economic Operator programmes, which may be achieved, inter alia, by agreeing on the highest standards, facilitating access to benefits and minimising unnecessary duplication;

(i) enforcing intellectual property rights by customs authorities, including exchanging information and best practices in customs operations focusing in particular on intellectual property rights enforcement;

(j) maintaining compatible customs procedures, where appropriate and practicable to do so, including the application of a single administrative document for customs declaration; and

(k) exchanging, where relevant and appropriate and under arrangements to be agreed, certain categories of customs-related information between the customs authorities of the Parties through structured and recurrent communication, for the purposes of improving risk management and the effectiveness of customs controls, targeting goods at risk in terms of revenue collection or safety and security, and facilitating legitimate trade; such exchanges may include export and import declaration data on trade between the Parties, with the possibility of exploring, through pilot initiatives, the development of interoperable mechanisms to avoid duplication in the submission of such information. Exchanges under this point shall be without prejudice to exchanges of information that may take place between the Parties pursuant to the Protocol on mutual administrative assistance in customs matters.

3. Without prejudice to other forms of cooperation envisaged in this Agreement, the customs authorities of the Parties shall provide each other with mutual administrative assistance in the matters covered by this Chapter in accordance with the Protocol on mutual administrative assistance in customs matters.

4. Any exchange of information between the Parties under this Chapter shall be subject to the confidentiality and protection of information set out in Article 12 of the Protocol on mutual administrative assistance in customs matters, *mutatis mutandis*, as well as to any confidentiality requirements set out in the legislation of the Parties.

## **Article 104. Customs and other Trade Related Legislation and Procedures**

1. Each Party shall ensure that its customs provisions and procedures:

(a) are consistent with international instruments and standards applicable in the area of customs and trade, including the WTO Trade Facilitation Agreement, the substantive elements of the Revised Kyoto Convention on the Simplification and Harmonisation of Customs Procedures, the International Convention on the Harmonised Commodity Description and Coding System, as well as the SAFE Framework and the Customs Data Model of the WCO;

(b) provide the protection and facilitation of legitimate trade taking into account the evolution of trade practices through effective enforcement including in case of breaches of its laws and regulations, duty evasion and smuggling and through ensuring compliance with legislative requirements;

(c) are based on legislation that is proportionate and non-discriminatory, avoids unnecessary burdens on economic operators, provides for further facilitation for operators with high levels of compliance including favourable treatment with respect to customs controls prior to the release of goods, and ensures safeguards against fraud and illicit or damageable activities while ensuring a high level of protection of security and safety of citizens and the respect of prohibitions and restrictions and financial interests of the Parties; and

(d) contain rules that ensure that any penalty imposed for breaches of customs regulations or procedural requirements is proportionate and non-discriminatory and that the imposition of such penalties does not result in unjustified delays.

Each Party should periodically review its legislation and customs procedures. Customs procedures should also be applied in a manner that is predictable, consistent and transparent.

2. In order to improve working methods and to ensure non-discrimination, transparency, efficiency, integrity and the accountability of operations, each Party shall:

(a) simplify and review requirements and formalities wherever possible with a view to ensuring the rapid release and clearance of goods;

(b) work towards the further simplification and standardisation of the data and documentation required by customs and other agencies; and

(c) promote coordination between all border agencies, both internally and across borders, to facilitate border-crossing processes and enhance control, taking into account joint border controls where feasible and appropriate.

## **Article 105. Release of Goods**

1. Each Party shall adopt or maintain customs procedures that:

(a) provide for the prompt release of goods within a period that is no longer than necessary to ensure compliance with its laws and regulations;

(b) provide for advance electronic submission and processing of documentation and any other required information prior to the arrival of the goods, to enable the release of goods promptly upon arrival if no risk has been identified through risk analysis or if no random checks or other checks are to be performed;

(c) provide for the possibility, where appropriate and if the necessary conditions are satisfied, of releasing goods for free circulation at the first point of arrival; and

(d) allow for the release of goods prior to the final determination of customs duties, taxes, fees and charges, if such a determination is not done prior to, or upon arrival, or as rapidly as possible after arrival and provided that all other regulatory requirements have been met.

2. As a condition for such release, each Party may require a guarantee for any amount not yet determined in the form of surety, a deposit or another appropriate instrument provided for in its laws and regulations. Such guarantee shall not be greater than the amount the Party requires to ensure payment of customs duties, taxes, fees and charges ultimately due for the goods covered by the guarantee. The guarantee shall be discharged when it is no longer required.

3. The Parties shall ensure that the customs and other authorities responsible for border controls and procedures dealing with importation, exportation and transit of goods cooperate with one another and coordinate their activities in order to facilitate trade and expedite the release of goods.

## **Article 106. Simplified Customs Procedures**

1. Each Party shall work towards simplification of its requirements and formalities for customs procedures in order to reduce the time and costs thereof for traders or operators, including small and medium-sized enterprises.

2. Each Party shall adopt or maintain measures allowing traders or operators fulfilling criteria specified in its laws and regulations to benefit from further simplification of customs procedures.

Such measures may include inter alia:

(a) customs declarations containing a reduced set of data or supporting documents;

(b) periodical customs declarations for the determination and payment of customs duties and taxes covering multiple imports within a given period after the release of those imported goods;

(c) self-assessment of and the deferred payment of customs duties and taxes until after the release of those imported goods; and

(d) the use of a guarantee with a reduced amount or a waiver from the obligation to provide a guarantee.

3. Where a Party chooses to adopt one of these measures, it will offer, where considered appropriate and practicable by that Party and in accordance with its laws and regulations, these simplifications to all traders who meet the relevant criteria.

## **Article 107. Transit and Transshipment**

1. For the purposes of Article 20, the Common Transit Convention shall apply.
2. Each Party shall ensure the facilitation and effective control of transshipment operations and transit movements through their respective territories.
3. Each Party shall promote and implement regional transit arrangements with a view to facilitating trade in compliance with the Common Transit Convention.
4. Each Party shall ensure cooperation and coordination between all concerned authorities and agencies in their respective territories in order to facilitate traffic in transit.
5. Each Party shall allow goods intended for import to be moved within its territory under customs control from a customs office of entry to another customs office in its territory from where the goods would be released or cleared.

## **Article 108. Risk Management**

1. Each Party shall adopt or maintain a risk management system for customs controls with a view to reducing the likelihood and the impact of an event which would prevent the correct application of customs legislation, compromise the financial interest of the Parties or pose a threat to the security and safety of the Parties and their residents, to human, animal or plant health, to the environment or to consumers.
2. Customs controls, other than random checks, shall primarily be based on risk analysis using electronic data-processing techniques.
3. Each Party shall design and apply risk management in such a manner as to avoid arbitrary or unjustifiable discrimination, or disguised restrictions to international trade.
4. Each Party shall concentrate customs controls and other relevant border controls on high-risk consignments and shall expedite the release of low-risk consignments. Each Party may also select consignments for such controls on a random basis as part of its risk management.
5. Each Party shall base risk management on the assessment of risk through appropriate selectivity criteria.

## **Article 109. Post-clearance Audit**

1. With a view to expediting the release of goods, each Party shall adopt or maintain post-clearance audit to ensure compliance with customs and other related laws and regulations.
2. Each Party shall select persons and consignments for post-clearance audits in a risk-based manner, which may include using appropriate selectivity criteria. Each Party shall conduct post-clearance audits in a transparent manner. Where a person is involved in the audit process and conclusive results have been achieved, the Party shall notify the person whose record is audited of the results, the person's rights and obligations and the reasons for the results, without delay.
3. The information obtained in post-clearance audits may be used in further administrative or judicial proceedings.
4. The Parties shall, wherever practicable, use the results of post-clearance audit for risk management purposes,

## **Article 110. Authorised Economic Operators**

1. Each Party shall maintain a partnership programme for operators who meet the specified criteria in Annex 18.
2. The Parties shall recognise their respective programmes for Authorised Economic Operators in accordance with Annex 18.

## **Article 111. Publication and Availability of Information**

1. Each Party shall ensure that its customs legislation and other trade-related laws and regulations, as well as its general administrative procedures and relevant information of general application that relate to trade, are published and readily available to any interested person in an easily accessible manner, including, as appropriate, through the Internet.

2. Each Party shall promptly publish new legislation and general procedures related to customs and trade facilitation issues as early as possible prior to the entry into force of any such legislation or procedures, and shall promptly publish any changes to and interpretations of such legislation and procedures. Such publication shall include:

- (a) relevant notices of an administrative nature;
- (b) importation, exportation and transit procedures (including port, airport, and other entry-point procedures) and required forms and documents;
- (c) applied rates of duty and taxes of any kind imposed on or in connection with importation or exportation;
- (d) fees and charges imposed by or for governmental agencies on or in connection with importation, exportation or transit;
- (e) rules for the classification or valuation of products for customs purposes;
- (f) laws, regulations and administrative rulings of general application relating to rules of origin;
- (g) import, export or transit restrictions or prohibitions;
- (h) penalty provisions against breaches of import, export or transit formalities;
- (i) appeal procedures;
- (j) agreements or parts thereof with any country or countries relating to importation, exportation or transit;
- (k) procedures relating to the administration of tariff quotas;
- (l) hours of operation and operating procedures for customs offices at ports and border crossing points; and
- (m) points of contact for information enquiries.

3. Each Party shall ensure there is a reasonable time period between the publication of new or amended legislation, procedures and fees or charges and their entry into force.

4. Each Party shall make the following available through the internet:

- (a) a description of its importation, exportation and transit procedures, including appeal procedures, informing of the practical steps needed to import and export, and for transit;
- (b) the forms and documents required for importation into, exportation from, or transit through the territory of that Party; and
- (c) contact information regarding enquiry points.

Each party shall ensure that the descriptions, forms, documents and information referred to in points (a), (b) and (c) of the first subparagraph are kept up to date.

5. Each Party shall establish or maintain one or more enquiry points to answer enquiries of governments, traders and other interested parties regarding customs and other trade-related matters within a reasonable time. The Parties shall not require the payment of a fee for answering enquiries.

## **Article 112. Advance Rulings**

1. Each Party, through its customs authorities, shall issue advance rulings upon application by economic operators setting forth the treatment to be accorded to the goods concerned. Such rulings shall be issued in writing or in electronic format in a time bound manner and shall contain all necessary information in accordance with the legislation of the issuing Party.

2. Advance rulings shall be valid for a period of at least three years from the starting date of their validity unless the ruling no longer conforms to the law or the facts or circumstances supporting the original ruling have changed.

3. A Party may refuse to issue an advance ruling if the question raised in the application is the subject of an administrative or judicial review, or if the application does not relate to any intended use of the advance ruling or any intended use of a customs procedure. If a Party declines to issue an advance ruling, it shall promptly notify the applicant in writing, setting out the relevant facts and the basis for its decision.

4. Each Party shall publish, at least:

- (a) the requirements for applying for an advance ruling, including the information to be provided and the format;
  - (b) the time period by which it will issue an advance ruling; and
  - (c) the length of time for which the advance ruling is valid.
5. If a Party revokes, modifies, invalidates or annuls an advance ruling, it shall provide written notice to the applicant setting out the relevant facts and the basis for its decision. A Party shall only revoke, modify, invalidate or annul an advance ruling with retroactive effect if the ruling was based on incomplete, incorrect, false or misleading information.
6. An advance ruling issued by a Party shall be binding on that Party in respect of the applicant that sought it. The Party may provide that the advance ruling is binding on the applicant.
7. Each Party shall provide, at the written request of the holder, a review of an advance ruling or of a decision to revoke, modify or invalidate an advance ruling.
8. Each Party shall make publicly available information on advance rulings, taking into account the need to protect personal and commercially confidential information.
9. Advance rulings shall be issued with regard to:
- (a) the tariff classification of goods;
  - (b) the origin of goods; and
  - (c) any other matter the Parties may agree upon.

### **Article 113. Customs Brokers**

The customs provisions and procedures of a Party shall not require the mandatory use of customs brokers or other agents. Each Party shall publish its measures on the use of customs brokers. Each Party shall apply transparent, non-discriminatory and proportionate rules if and when licensing customs brokers.

### **Article 114. Pre-shipment Inspections**

A Party shall not require the mandatory use of pre-shipment inspections as defined in the WTO Agreement on Pre-shipment Inspection, or any other inspection activity performed at destination, by private companies, before customs clearance.

### **Article 115. Review and Appeal**

1. Each Party shall provide effective, prompt, non-discriminatory and easily accessible procedures that guarantee the right of appeal against administrative actions, rulings and decisions of customs or other competent authorities that affect the import or export of goods or goods in transit.
2. The procedures referred to in paragraph 1 shall include:
  - (a) an administrative appeal to or review by an administrative authority higher than or independent of the official or office that issued the decision; and
  - (b) a judicial appeal or review of the decision.
3. Each Party shall ensure that, in cases where the decision on appeal or review under point (a) of paragraph 2 is not given within the time period provided for in its laws and regulations or is not given without undue delay, the petitioner has the right to further administrative or judicial appeal or review or any other recourse to judicial authority in accordance with that Party's laws and regulations.
4. Each Party shall ensure that the petitioner is provided with the reasons for the administrative decision so as to enable the petitioner to have recourse to appeal or review procedures where necessary.

### **Article 116. Relations with the Business Community**

1. Each Party shall hold timely and regular consultations with trade representatives on legislative proposals and general procedures related to customs and trade facilitation issues. To that end, appropriate consultation between administrations and the business community shall be maintained by each Party.

2. Each Party shall ensure that its customs and related requirements and procedures continue to meet the needs of the trading community, follow best practices, and restrict trade as little as possible.

## **Article 117. Temporary Admission**

1. For the purposes of this Article, "temporary admission" means the customs procedure under which certain goods, including means of transport, can be brought into a customs territory with conditional relief from the payment of import duties and taxes and without the application of import prohibitions or restrictions of an economic character, on the condition that the goods are imported for a specific purpose and are intended for re-exportation within a specified period without having undergone any change except normal depreciation due to the use made of those goods.

2. Each Party shall grant temporary admission, with total conditional relief from import duties and taxes and without application of import restrictions or prohibitions of economic character, as provided for in its laws and regulations, to the following types of goods:

(a) goods for display or use at exhibitions, fairs, meetings or similar events (goods intended for display or demonstration at an event; goods intended for use in connection with the display of foreign products at an event; equipment including interpretation equipment, sound and image recording apparatus and films of an educational, scientific or cultural character intended for use at international meetings, conferences or congresses); products obtained incidentally during the event from temporarily imported goods, as a result of the demonstration of displayed machinery or apparatus;

(b) professional equipment (equipment for the press, for sound or television broadcasting which is necessary for representatives of the press, of broadcasting or television organisations visiting the territory of another country for purposes of reporting, in order to transmit or record material for specified programmes; cinematographic equipment necessary for a person visiting the territory of another country in order to make a specified film or films; any other equipment necessary for the exercise of the calling, trade or profession of a person visiting the territory of another country to perform a specified task, insofar as it is not to be used for the industrial manufacture or packaging of goods or (except in the case of hand tools) for the exploitation of natural resources, for the construction, repair or maintenance of buildings or for earth moving and like projects; ancillary apparatus for the equipment mentioned above, and accessories therefor); component parts imported for repair of professional equipment temporarily admitted;

(c) goods imported in connection with a commercial operation but whose importation does not in itself constitute a commercial operation (packings which are imported filled for re-exportation empty or filled, or are imported empty for re-exportation filled; containers, whether or not filled with goods, and accessories and equipment for temporarily admitted containers, which are either imported with a container to be re-exported separately or with another container, or are imported separately to be re-exported with a container and component parts intended for the repair of containers granted temporary admission; pallets; samples; advertising films; other goods imported in connection with a commercial operation);

(d) goods imported in connection with a manufacturing operation (matrices, blocks, plates, moulds, drawings, plans, models and other similar articles; measuring, controlling and checking instruments and other similar articles; special tools and instruments, imported for use during a manufacturing process); replacement means of production (instruments, apparatus and machines made available to a customer by a supplier or repairer, pending the delivery or repair of similar goods);

(e) goods imported exclusively for educational, scientific or cultural purposes (scientific equipment, pedagogic material, welfare material for seafarers, and any other goods imported in connection with educational, scientific or cultural activities); spare parts for scientific equipment and pedagogic material which has been granted temporary admission; tools specially designed for the maintenance, checking, gauging or repair of such equipment;

(f) personal effects (all articles, new or used, which a traveller may reasonably require for his or her personal use during the journey, taking into account all the circumstances of the journey, but excluding any goods imported for commercial purposes); goods imported for sports purposes (sports requisites and other articles for use by travellers in sports contests or demonstrations or for training in the territory of temporary admission);

(g) tourist publicity material (goods imported for the purpose of encouraging the public to visit another foreign country, in particular in order to attend cultural, religious, touristic, sporting or professional meetings or demonstrations held there);

(h) goods imported for humanitarian purposes (medical, surgical and laboratory equipment and relief consignments, such as vehicles and other means of transport, blankets, tents, prefabricated houses or other goods of prime necessity, forwarded as aid to those affected by natural disaster and similar catastrophes); and

(i) animals imported for specific purposes (dressage, training, breeding, shoeing or weighing, veterinary treatment, testing (for example, with a view to purchase), participation in shows, exhibitions, contests, competitions or demonstrations,

entertainment (circus animals, etc.), touring (including pet animals of travellers), exercise of function (police dogs or horses; detector dogs, dogs for the blind, etc.), rescue operations, transhumance or grazing, performance of work or transport, medical purposes (delivery of snake poison, etc.).

3. Each Party shall, for the temporary admission of the goods referred to in paragraph 2 and regardless of their origin, accept a carnet as prescribed for the purposes of the ATA and Istanbul Conventions issued in the other Party, endorsed there and guaranteed by an association forming part of the international guarantee chain, certified by the competent authorities and valid in the customs territory of the importing Party.

### **Article 118. Single Window**

Each Party shall endeavour to establish a single window that enables traders to submit documentation or data required for importation, exportation, or transit of goods through a single entry point to the participating authorities or agencies.

### **Article 119. Facilitation of Roll-on, Roll-off Traffic**

1. In recognition of the high volume of sea-crossings and, in particular, the high volume of roll on, roll off traffic between their respective customs territories, the Parties agree to cooperate in order to facilitate such traffic as well as other alternative modes of traffic.

2. The Parties acknowledge:

(a) the right of each Party to adopt trade facilitating customs formalities and procedures for traffic between the Parties within their respective legal frameworks; and

(b) the right of ports, port authorities and operators to act, within the legal orders of their respective Parties, in accordance with their rules and their operating and business models.

3. To this effect the Parties:

(a) shall adopt or maintain procedures allowing for the submission of import documentation and other required information, including manifests, in order to begin processing prior to the arrival of goods with a view to expediting the release of goods upon arrival; and

(b) undertake to facilitate the use by operators of the transit procedure, including simplifications of the transit procedure as provided for under the Common Transit Convention.

4. The Parties agree to encourage cooperation between their respective customs authorities on bilateral sea-crossing routes, and to exchange information on the functioning of ports handling traffic between them and on the applicable rules and procedures. They will make public, and promote knowledge by operators of, information on the measures they have in place and the processes established by ports to facilitate such traffic.

### **Article 120. Administrative Cooperation In VAT and Mutual Assistance for Recovery of Taxes and Duties**

The competent authorities of the Parties shall cooperate with each other to ensure compliance with VAT legislation and in recovering claims relating to taxes and duties in accordance with the Protocol on administrative cooperation and combating fraud in the field of value added tax and on mutual assistance for the recovery of claims relating to taxes and duties.

### **Article 121. Trade Specialised Committee on Customs Cooperation and Rules of Origin**

1. The Trade Specialised Committee on Customs Cooperation and Rules of Origin shall:

(a) hold regular consultations; and

(b) in relation to the review of the provisions of Annex 18:

(i) jointly validate programme members to identify strengths and weaknesses in implementing Annex 18; and

(ii) exchange views on data to be shared and treatment of operators.

2. The Trade Specialised Committee on Customs Cooperation and Rules of Origin may adopt decisions or recommendations:

(a) on the exchange of customs-related information, on mutual recognition of risk management techniques, risk standards and controls, customs security measures, on advanced rulings, on common approaches to customs valuation and on other issues related to the implementation of this Chapter;

(b) on the arrangements relating to the automatic exchange of information as referred to in Article 10 of the Protocol on mutual administrative assistance in customs matters, and on other issues relating to the implementation of that Protocol;

(c) on any issues relating to the implementation of Annex 18; and

(d) on the procedures for the consultation established in Article 63 and on any technical or administrative matters relating to the implementation of Chapter 2 of this Title, including on interpretative notes aimed at ensuring the uniform administration of the rules of origin.

## **Article 122. Amendments**

1. The Partnership Council may amend:

(a) Annex 18, the Protocol on mutual administrative assistance in customs matters and the list of goods set out in Article 117(2); and

(b) the Protocol on administrative cooperation and combating fraud in the field of value added tax and on mutual assistance for the recovery of claims relating to taxes and duties.

2. The Trade Specialised Committee on Administrative Cooperation in VAT and Recovery of Taxes and Duties may amend the value referred to in Article 33(4) of the Protocol on administrative cooperation and combating fraud in the field of value added tax and on mutual assistance for the recovery of claims relating to taxes and duties.

## **Title II. SERVICES AND INVESTMENT**

### **Chapter 1. GENERAL PROVISIONS**

#### **Article 123. Objective and Scope**

1. The Parties affirm their commitment to establish a favourable climate for the development of trade and investment between them.

2. The Parties reaffirm the right to regulate within their territories to achieve legitimate policy objectives, such as: the protection of public health; social services; public education; safety; the environment, including climate change; public morals; social or consumer protection; privacy and data protection or the promotion and protection of cultural diversity.

3. This Title does not apply to measures affecting natural persons of a Party seeking access to the employment market of the other Party or to measures regarding nationality, citizenship, residence or employment on a permanent basis.

4. This Title shall not prevent a Party from applying measures to regulate the entry of natural persons into, or their temporary stay in, its territory, including those measures necessary to protect the integrity of its borders and to ensure the orderly movement of natural persons across them, provided that such measures are not applied in such a manner as to nullify or impair the benefits accruing to the other Party under the terms of this Title. The sole fact of requiring a visa for natural persons of certain countries and not for those of others shall not be regarded as nullifying or impairing benefits under this Title.

5. This Title does not apply to:

(a) air services or related services in support of air services (1), other than:

(i) aircraft repair and maintenance services;

(ii) computer reservation system services;

(iii) ground handling services;

(iv) the following services provided using a manned aircraft, subject to compliance with the Parties' respective laws and regulations governing the admission of aircrafts to, departure from and operation within, their territory: aerial fire-fighting; flight training; spraying; surveying; mapping; photography; and other airborne agricultural, industrial and inspection services; and



(v) the selling and marketing of air transport services;

(1) Air services or related services in support of air services include, but are not limited to, the following services: air transportation; services provided by using an aircraft whose primary purpose is not the transportation of goods or passengers, such as aerial fire-fighting, flight training, sightseeing, spraying, surveying, mapping, photography, parachute jumping, glider towing, helicopter-lift for logging and construction, and other airborne agricultural, industrial and inspection services; the rental of aircraft with crew; and airport operation services.

(b) audio-visual services;

(c) national maritime cabotage (1); and

(1) National maritime cabotage covers: for the Union, without prejudice to the scope of activities that may be considered cabotage under the relevant national legislation, transportation of passengers or goods between a port or point located in a Member State and another port or point located in that same Member State, including on its continental shelf, as provided for in the United Nations Convention on the Law of the Sea and traffic originating and terminating in the same port or point located in a Member State; for the United Kingdom, transportation of passengers or goods between a port or point located in the United Kingdom and another port or point located in the United Kingdom, including on its continental shelf, as provided for in the United Nations Convention on the Law of the Sea and traffic originating and terminating in the same port or point located in the United Kingdom.

(d) inland waterways transport.

6. This Title does not apply to any measure of a Party with respect to public procurement of a good or service purchased for governmental purposes, and not with a view to commercial resale or with a view to use in the supply of a good or service for commercial sale, whether or not that procurement is "covered procurement" within the meaning of Article 277.

7. Except for Article 132, this Title does not apply to subsidies or grants provided by the Parties, including government-supported loans, guarantees and insurance.

## **Article 124. Definitions**

For the purposes of this Title, the following definitions apply:

(a) "activities performed in the exercise of governmental authority" means activities which are performed, including services which are supplied, neither on a commercial basis nor in competition with one or more economic operators; (1)

(1) For greater certainty, the term "activities performed in the exercise of governmental authority" when used in relation to measures of a Party affecting the supply of services, includes "services supplied in the exercise of governmental authority" as defined in point (p) of Article 124.

(b) "aircraft repair and maintenance services" means such activities when undertaken on an aircraft or a part thereof while it is withdrawn from service and does not include so-called line maintenance;

(c) "computer reservation system services" means services provided by computerised systems that contain information about air carriers' schedules, availability, fares and fare rules, through which reservations can be made or tickets may be issued;

(d) "covered enterprise" means an enterprise in the territory of a Party established in accordance with point (h) by an investor of the other Party, in accordance with the applicable law, existing on the date of entry into force of this Agreement or established thereafter;

(e) "cross-border trade in services" means the supply of a service:

(i) from the territory of a Party into the territory of the other Party; or

(ii) in the territory of a Party to the service consumer of the other Party;

(f) "economic activity" means any activity of an industrial, commercial or professional character or activities of craftsmen, including the supply of services, except for activities performed in the exercise of governmental authority;

(g) "enterprise" means a legal person or a branch or a representative office of a legal person;

(h) "establishment" means the setting up or the acquisition of a legal person, including through capital participation, or the

creation of a branch or representative office in the territory of a Party, with a view to creating or maintaining lasting economic links;

(i) "ground handling services" means the supply at an airport, on a fee or contract basis, of the following services: airline representation, administration and supervision; passenger handling; baggage handling; ramp services; catering; air cargo and mail handling; fuelling of an aircraft; aircraft servicing and cleaning; surface transport; and flight operations, crew administration and flight planning; ground handling services do not include: self-handling; security; aircraft repair and maintenance; or management or operation of essential centralised airport infrastructure, such as de-icing facilities, fuel distribution systems, baggage handling systems and fixed intra airport transport systems;

(j) "investor of a Party" means a natural or legal person of a Party that seeks to establish, is establishing or has established an enterprise in accordance with point (h) in the territory of the other Party;

(k) "legal person of a Party" (1) means:

(i) for the Union:

(A) a legal person constituted or organised under the law of the Union or at least one of its Member States and engaged, in the territory of the Union, in substantive business operations, understood by the Union, in line with its notification of the Treaty establishing the European Community to the WTO (WT/REG39/1), as equivalent to the concept of "effective and continuous link" with the economy of a Member State enshrined in Article 54 of the Treaty on the Functioning of the European Union (TFEU); and

(B) shipping companies established outside the Union, and controlled by natural persons of a Member State, whose vessels are registered in, and fly the flag of, a Member State;

(ii) for the United Kingdom:

(A) a legal person constituted or organised under the law of the United Kingdom and engaged in substantive business operations in the territory of the United Kingdom; and

(B) shipping companies established outside the United Kingdom and controlled by natural persons of the United Kingdom, whose vessels are registered in, and fly the flag of, the United Kingdom;

(1) For greater certainty, the shipping companies referred to in this point are only considered as legal persons of a Party with respect to their activities relating to the supply of maritime transport services.

(l) "operation" means the conduct, management, maintenance, use, enjoyment, or sale or other form of disposal of an enterprise;

(m) "professional qualifications" means qualifications attested by evidence of formal qualification, professional experience, or other attestation of competence;

(n) "selling and marketing of air transport services" means opportunities for the air carrier concerned to sell and market freely its air transport services including all aspects of marketing such as market research, advertising and distribution, but not including the pricing of air transport services nor the applicable conditions;

(o) "service" means any service in any sector except services supplied in the exercise of governmental authority;

(p) "services supplied in the exercise of governmental authority" means any service which is supplied neither on a commercial basis, nor in competition with one or more service suppliers;

(q) "service supplier" means any natural or legal person that seeks to supply or supplies a service;

(r) "service supplier of a Party" means a natural or legal person of a Party that seeks to supply or supplies a service.

## **Article 125. Denial of Benefits**

1. A Party may deny the benefits of this Title and Title IV of this Heading to an investor or service supplier of the other Party, or to a covered enterprise, if the denying Party adopts or maintains measures related to the maintenance of international peace and security, including the protection of human rights, which:

(a) prohibit transactions with that investor, service supplier or covered enterprise; or

(b) would be violated or circumvented if the benefits of this Title and Title IV of this Heading were accorded to that investor, service supplier or covered enterprise, including where the measures prohibit transactions with a natural or legal person which owns or controls any of them.

2. For greater certainty, paragraph 1 is applicable to Title IV of this Heading to the extent that it relates to services or investment with respect to which a Party has denied the benefits of this Title.

## **Article 126. Review**

1. With a view to introducing possible improvements to the provisions of this Title, and consistent with their commitments under international agreements, the Parties shall review their legal framework relating to trade in services and investment, including this Agreement, in accordance with Article 776.

2. The Parties shall endeavour, where appropriate, to review the non-conforming measures and reservations set out in Annexes 19, 20, 21 and 22 and the activities for short term business visitors set out in Annex 21, with a view to agreeing to possible improvements in their mutual interest.

3. This Article shall not apply with respect to financial services.

## **Chapter 2. INVESTMENT LIBERALISATION**

### **Article 127. Scope**

This Chapter applies to measures of a Party affecting the establishment of an enterprise to perform economic activities and the operation of such an enterprise by:

(a) investors of the other Party;

(b) covered enterprises; and

(c) for the purposes of Article 132, any enterprise in the territory of the Party which adopts or maintains the measure.

### **Article 128. Market Access**

A Party shall not adopt or maintain, with regard to establishment of an enterprise by an investor of the other Party or by a covered enterprise, or operation of a covered enterprise, either on the basis of its entire territory or on the basis of a territorial sub-division, measures that:

(a) impose limitations on:

(i) the number of enterprises that may carry out a specific economic activity, whether in the form of numerical quotas, monopolies, exclusive rights or the requirement of an economic needs test;

(ii) the total value of transactions or assets in the form of numerical quotas or the requirement of an economic needs test;

(iii) the total number of operations or on the total quantity of output expressed in terms of designated numerical units in the form of quotas or the requirement of an economic needs test; (1) (2)

(iv) the participation of foreign capital in terms of maximum percentage limit on foreign shareholding or the total value of individual or aggregate foreign investment; or

(v) the total number of natural persons that may be employed in a particular sector or that an enterprise may employ and who are necessary for, and directly related to, the performance of an economic activity, in the form of numerical quotas or the requirement of an economic needs test; or

(b) restrict or require specific types of legal entity or joint venture through which an investor of the other Party may perform an economic activity.

(1) Points (a)(i) to (iii) of Article 128 do not cover measures taken in order to limit the production of an agricultural or fishery product.

(2) Point (a)(iii) of Article 128 does not cover measures by a Party which limit inputs for the supply of services.

## **Article 129. National Treatment**

1. Each Party shall accord to investors of the other Party and to covered enterprises treatment no less favourable than that it accords, in like situations, to its own investors and to their enterprises, with respect to their establishment and operation in its territory.

2. The treatment accorded by a Party under paragraph 1 means:

(a) with respect to a regional or local level of government of the United Kingdom, treatment no less favourable than the most favourable treatment accorded, in like situations, by that level of government to investors of the United Kingdom and to their enterprises in its territory; and

(b) with respect to a government of, or in, a Member State, treatment no less favourable than the most favourable treatment accorded, in like situations, by that government to investors of that Member State and to their enterprises in its territory.

## **Article 130. Most-favoured-nation-treatment**

1. Each Party shall accord to investors of the other Party and to covered enterprises treatment no less favourable than that it accords, in like situations, to investors of a third country and to their enterprises, with respect to establishment in its territory.

2. Each Party shall accord to investors of the other Party and to covered enterprises treatment no less favourable than that it accords, in like situations, to investors of a third country and to their enterprises, with respect to operation in its territory.

3. Paragraphs 1 and 2 shall not be construed as obliging a Party to extend to investors of the other Party or to covered enterprises the benefit of any treatment resulting from:

(a) an international agreement for the avoidance of double taxation or other international agreement or arrangement relating wholly or mainly to taxation; or

(b) measures providing for recognition, including the recognition of the standards or criteria for the authorisation, licencing, or certification of a natural person or enterprise to carry out an economic activity, or the recognition of prudential measures as referred to in paragraph 3 of the GATS Annex on Financial Services.

4. For greater certainty, the "treatment" referred to in paragraphs 1 and 2 does not include investor-to-state dispute settlement procedures provided for in other international agreements.

5. For greater certainty, the existence of substantive provisions in other international agreements concluded by a Party with a third country, or the mere formal transposition of those provisions into domestic law to the extent that it is necessary in order to incorporate them into the domestic legal order, do not in themselves constitute the "treatment" referred to in paragraphs 1 and 2. Measures of a Party pursuant to those provisions may constitute such treatment and thus give rise to a breach of this Article.

## **Article 131. Senior Management and Boards of Directors**

A Party shall not require a covered enterprise to appoint individuals of any particular nationality as executives, managers or members of boards of directors.

## **Article 132. Performance Requirements**

1. A Party shall not impose or enforce any requirement, or enforce any commitment or undertaking, in connection with the establishment or operation of any enterprise in its territory:

(a) to export a given level or percentage of goods or services;

(b) to achieve a given level or percentage of domestic content;

(c) to purchase, use or accord a preference to goods produced or services provided in its territory or to purchase goods or services from natural or legal persons or any other entities in its territory;

(d) to relate in any way the volume or value of imports to the volume or value of exports or to the amount of foreign

exchange inflows associated with such enterprise;

(e) to restrict sales of goods or services in its territory that such enterprise produces or supplies, by relating those sales in any way to the volume or value of its exports or foreign exchange inflows;

(f) to transfer technology, a production process or other proprietary knowledge to a natural or legal person or any other entity in its territory (1);

(1) For greater certainty, point (f) of Article 132(1) is without prejudice to the provisions of Article 207.

(g) to supply exclusively from the territory of that Party a good produced or a service supplied by the enterprise to a specific regional or world market;

(h) to locate the headquarters for a specific region of the world which is broader than the territory of the Party or the world market in its territory;

(i) to employ a given number or percentage of natural persons of that Party;

(j) to achieve a given level or value of research and development in its territory;

(k) to restrict the exportation or sale for export; or

(l) with regard to any licence contract in existence at the time the requirement is imposed or enforced, or any commitment or undertaking is enforced, or with regard to any future licence contract freely entered into between the enterprise and a natural or legal person or any other entity in its territory, if the requirement is imposed or enforced or the commitment or undertaking is enforced, in a manner that constitutes direct interference with that licence contract by an exercise of non-judicial governmental authority of a Party, to adopt:

(i) a rate or amount of royalty below a certain level; or

(ii) a given duration of the term of a licence contract.

This point does not apply where the licence contract is concluded between the enterprise and the Party, For the purposes of this point, a "licence contract" means any contract concerning the licensing of technology, a production process, or other proprietary knowledge.

2. A Party shall not condition the receipt or continued receipt of an advantage, in connection with the establishment or operation of an enterprise in its territory, on compliance with any of the following requirements:

(a) achieving a given level or percentage of domestic content;

(b) purchasing, using or according a preference to goods produced or services supplied in its territory, or to purchase goods or services from natural or legal persons or any other entity in its territory;

(c) relating in any way the volume or value of imports to the volume or value of exports or to the amount of foreign exchange inflows associated with that enterprise;

(d) restricting the sales of goods or services in its territory that that enterprise produces or supplies by relating those sales in any way to the volume or value of its exports or foreign exchange inflows; or

(e) restricting the exportation or sale for export.

3. Paragraph 2 shall not be construed as preventing a Party from conditioning the receipt or continued receipt of an advantage, in connection with the establishment or operation of any enterprise in its territory, on compliance with a requirement to locate production, supply a service, train or employ workers, construct or expand particular facilities, or carry out research and development, in its territory.

4. Points (f) and (1) of paragraph 1 of this Article do not apply where:

(a) the requirement is imposed or enforced, or the commitment or undertaking is enforced, by a court or administrative tribunal, or by a competition authority pursuant to a Party's competition law to prevent or remedy a restriction or a distortion of competition; or

(b) a Party authorises the use of an intellectual property right in accordance with Article 31 or Article 31bis of the TRIPS Agreement, or adopts or maintains measures requiring the disclosure of data or proprietary information that fall within the

scope of, and are consistent with, paragraph 3 of Article 39 of the TRIPS Agreement.

5. Points (a) to (c) of paragraph 1 and points (a) and (b) of paragraph 2 do not apply to qualification requirements for goods or services with respect to participation in export promotion and foreign aid programmes.

6. For greater certainty, this Article does not preclude the enforcement by the competent authorities of a Party of any commitment or undertaking given between persons other than a Party which was not directly or indirectly imposed or required by that Party.

7. For greater certainty, points (a) and (b) of paragraph 2 do not apply to requirements imposed by an importing Party in relation to the content of goods necessary to qualify for preferential tariffs or preferential quotas.

8. Point (1) of paragraph 1 does not apply if the requirement is imposed or enforced, or the commitment or undertaking is enforced, by a tribunal as equitable remuneration under the Party's copyright laws.

9. A Party shall neither impose nor enforce any measure inconsistent with its obligations under the Agreement on Trade-Related Investment Measures (TRIMS), even where such measure has been listed by that Party in Annex 19 or 20.

10. For greater certainty, this Article shall not be construed as requiring a Party to permit a particular service to be supplied on a cross-border basis where that Party adopts or maintains restrictions or prohibitions on such provision of services which are consistent with the reservations, conditions or qualifications specified with respect to a sector, subsector or activity listed in Annex 19 or 20, 11. A condition for the receipt or continued receipt of an advantage referred to in paragraph 2 does not constitute a requirement or a commitment or undertaking for the purposes of paragraph 1.

### **Article 133. Non-conforming Measures and Exceptions**

1. Articles 128, 129, 130, 131 and 132 do not apply to:

(a) any existing non-conforming measure of a Party at the level of:

(i) for the Union:

(A) the Union, as set out in the Schedule of the Union in Annex 19;

(B) The central government of a Member State, as set out in the Schedule of the Union in Annex 19;

(C) aregional government of a Member State, as set out in the Schedule of the Union in Annex 19; or

(D) a local government, other than that referred to in point (C); and

(ii) for the United Kingdom:

(A) the central government, as set out in the Schedule of the United Kingdom in Annex 19;

(B) aregional government, as set out in the Schedule of the United Kingdom in Annex 19; or

(C) a local government;

(b) the continuation or prompt renewal of any non-conforming measure referred to in point (a) of this paragraph; or

(c) a modification to any non-conforming measure referred to in points (a) and (b) of this paragraph, to the extent that it does not decrease the conformity of the measure, as it existed immediately before the modification, with Article 128, 129, 130, 131 or 132.

2. Articles 128, 129, 130, 131 and 132 do not apply to a measure of a Party which is consistent with the reservations, conditions or qualifications specified with respect to a sector, subsector or activity listed in Annex 20.

3. Articles 129 and 130 of this Agreement do not apply to any measure that constitutes an exception to, or a derogation from, Article 3 or 4 of the TRIPS Agreement, as specifically provided for in Articles 3 to 5 of that Agreement.

4. For greater certainty, Articles 129 and 130 shall not be construed as preventing a Party from prescribing information requirements, including for statistical purposes, in connection with the establishment or operation of investors of the other Party or of covered enterprises, provided that it does not constitute a means to circumvent that Party's obligations under those Articles.

## **Chapter 3. CROSS-BORDER TRADE IN SERVICES**

## **Article 134. Scope**

This Chapter applies to measures of a Party affecting the cross-border trade in services by service suppliers of the other Party.

## **Article 135. Market Access**

A Party shall not adopt or maintain, either on the basis of its entire territory or on the basis of a territorial sub-division, measures that:

(a) impose limitations on:

(i) the number of service suppliers that may supply a specific service, whether in the form of numerical quotas, monopolies, exclusive service suppliers or the requirement of an economic needs test;

(ii) the total value of service transactions or assets in the form of numerical quotas or the requirement of an economic needs test; or

(iii) the total number of service operations or on the total quantity of service output expressed in the terms of designated numerical units in the form of quotas or the requirement of an economic needs test (1); or

(b) restrict or require specific types of legal entity or joint venture through which a service supplier may supply a service.

(1) Point (a) (iii) of Article 135 does not cover measures by a Party which limit inputs for the supply of services.

## **Article 136. Local Presence**

A Party shall not require a service supplier of the other Party to establish or maintain an enterprise or to be resident in its territory as a condition for the cross-border supply of a service.

## **Article 137. National Treatment**

1. Each Party shall accord to services and service suppliers of the other Party treatment no less favourable than that it accords, in like situations, to its own services and service suppliers.

2. A Party may meet the requirement of paragraph 1 by according to services and service suppliers of the other Party either formally identical treatment or formally different treatment to that it accords to its own services and service suppliers.

3. Formally identical or formally different treatment shall be considered to be less favourable if it modifies the conditions of competition in favour of services or service suppliers of the Party compared to services or service suppliers of the other Party.

4. Nothing in this Article shall be construed as requiring either Party to compensate for inherent competitive disadvantages which result from the foreign character of the relevant services or service suppliers.

## **Article 138. Most-favoured-nation Treatment**

1. Each Party shall accord to services and service suppliers of the other Party treatment no less favourable than that it accords, in like situations, to services and service suppliers of a third country.

2. Paragraph 1 shall not be construed as obliging a Party to extend to services and service suppliers of the other Party the benefit of any treatment resulting from:

(a) an international agreement for the avoidance of double taxation or other international agreement or arrangement relating wholly or mainly to taxation; or

(b) measures providing for recognition, including of the standards or criteria for the authorisation, licencing, or certification of a natural person or enterprise to carry out an economic activity, or of prudential measures as referred to in paragraph 3 of the GATS Annex on Financial Services.

3. For greater certainty, the existence of substantive provisions in other international agreements concluded by a Party with a third country, or mere formal transposition of those provisions into domestic law to the extent that it is necessary in order to incorporate them into the domestic legal order, do not in themselves constitute the "treatment" referred to in paragraph 1. Measures of a Party pursuant to those provisions may constitute such treatment and thus give rise to a breach of this Article.

## **Article 139. Non-conforming Measures**

1. Articles 135, 136, 137 and 138 do not apply to:

(a) any existing non-conforming measure of a Party at the level of:

(i) for the Union:

(A) the Union, as set out in the Schedule of the Union in Annex 19;

(B) the central government of a Member State, as set out in the Schedule of the Union in Annex 19;

(C) a regional government of a Member State, as set out in the Schedule of the Union in Annex 19; or

(D) a local government, other than that referred to in point (C); and

(ii) for the United Kingdom:

(A) the central government, as set out in the Schedule of the United Kingdom in Annex 19;

(B) a regional government, as set out in the Schedule of the United Kingdom in Annex 19; or

(C) a local government;

(b) the continuation or prompt renewal of any non-conforming measure referred to in point (a) of this paragraph; or

(c) a modification to any non-conforming measure referred to in points (a) and (b) of this paragraph to the extent that it does not decrease the conformity of the measure, as it existed immediately before the modification, with Articles 135, 136, 137 and 138.

2. Articles 135, 136, 137 and 138 do not apply to any measure of a Party which is consistent with the reservations, conditions or qualifications specified with respect to a sector, subsector or activity listed in Annex 20.

## **Chapter 4. ENTRY AND TEMPORARY STAY OF NATURAL PERSONS FOR BUSINESS PURPOSES**

### **Article 140. Scope and Definitions**

1. This Chapter applies to measures of a Party affecting the performance of economic activities through the entry and temporary stay in its territory of natural persons of the other Party, who are business visitors for establishment purposes, contractual service suppliers, independent professionals, intra-corporate transferees and short-term business visitors.

2. To the extent that commitments are not undertaken in this Chapter, all requirements provided for in the law of a Party regarding the entry and temporary stay of natural persons shall continue to apply, including laws and regulations concerning the period of stay.

3. Notwithstanding the provisions of this Chapter, all requirements provided for in the law of a Party regarding work and social security measures shall continue to apply, including laws and regulations concerning minimum wages and collective wage agreements.

4. Commitments on the entry and temporary stay of natural persons for business purposes do not apply in cases where the intent or effect of the entry and temporary stay is to interfere with or otherwise affect the outcome of any labour or management dispute or negotiation, or the employment of any natural person who is involved in that dispute.

5. For the purposes of this Chapter:

(a) "business visitors for establishment purposes" means natural persons working in a senior position within a legal person of a Party, who:



(i) are responsible for setting up an enterprise of such legal person in the territory of the other Party;

(ii) do not offer or provide services or engage in any economic activity other than that which is required for the purposes of the establishment of that enterprise; and

(iii) do not receive remuneration from a source located within the other Party;

(b) "contractual service suppliers" means natural persons employed by a legal person of a Party (other than through an agency for placement and supply services of personnel), which is not established in the territory of the other Party and has concluded a bona fide contract, not exceeding 12 months, to supply services to a final consumer in the other Party requiring the temporary presence of its employees who:

(i) have offered the same type of services as employees of the legal person for a period of not less than one year immediately preceding the date of their application for entry and temporary stay;

(ii) possess, on that date, at least three years professional experience, obtained after having reached the age of majority, in the sector of activity that is the object of the contract, a university degree or a qualification demonstrating knowledge of an equivalent level and the professional qualifications legally required to exercise that activity in the other Party (1); and

(1) Where the degree or qualification has not been obtained in the Party where the service is supplied, that Party may evaluate whether this is equivalent to a university degree required in its territory.

(iii) do not receive remuneration from a source located within the other Party;

(c) "independent professionals" means natural persons engaged in the supply of a service and established as self-employed in the territory of a Party who:

(i) have not established in the territory of the other Party;

(ii) have concluded a bona fide contract (other than through an agency for placement and supply services of personnel) for a period not exceeding 12 months to supply services to a final consumer in the other Party, requiring their presence on a temporary basis; and

(iii) possess, on the date of their application for entry and temporary stay, at least six years professional experience in the relevant activity, a university degree or a qualification demonstrating knowledge of an equivalent level and the professional qualifications legally required to exercise that activity in the other Party (1);

(1) Where the degree or qualification has not been obtained in the Party where the service is supplied, that Party may evaluate whether this is equivalent to a university degree required in its territory.

(d) "intra-corporate transferees" means natural persons, who:

(i) have been employed by a legal person of a Party, or have been partners in it, for a period, immediately preceding the date of the intra-corporate transfer, of not less than one year in the case of managers and specialists and of not less than six months in the case of trainee employees;

(ii) at the time of application reside outside the territory of the other Party;

(iii) are temporarily transferred to an enterprise of the legal person in the territory of the other Party which is a member of the same group as the originating legal person, including its representative office, subsidiary, branch or head company (1); and

(1) Managers and specialists may be required to demonstrate they possess the professional qualifications and experience needed in the legal person to which they are transferred.

(iv) belong to one of the following categories:

(A) managers (2);

(2) While managers do not directly perform tasks concerning the actual supply of the services, this does not prevent them, in the course of executing their duties as described above, from performing such tasks as may be necessary for the provision of the services.

(B) specialists; or

(C) trainee employees;

(e) "manager" means a natural person working in a senior position, who primarily directs the management of the enterprise in the other Party, receiving general supervision or direction principally from the board of directors or from shareholders of the business or their equivalent and whose responsibilities include:

(i) directing the enterprise or a department or subdivision thereof;

(ii) supervising and controlling the work of other supervisory, professional or managerial employees; and

(iii) having the authority to recommend hiring, dismissing or other personnel-related actions;

(f) "specialist" means a natural person possessing specialised knowledge, essential to the enterprise's areas of activity, techniques or management, which is to be assessed taking into account not only knowledge specific to the enterprise, but also whether the person has a high level of qualification, including adequate professional experience of a type of work or activity requiring specific technical knowledge, including possible membership of an accredited profession; and

(g) "trainee employee" means a natural person possessing a university degree who is temporarily transferred for career development purposes or to obtain training in business techniques or methods and is paid during the period of the transfer. (1)

(1) The recipient enterprise may be required to submit a training programme covering the duration of the stay for prior approval, demonstrating that the purpose of the stay is for training. For AT, CZ, DE, FR, ES, HU and LT, training must be linked to the university degree which has been obtained.

6. The service contract referred to in points (b) and (c) of paragraph 5 shall comply with the requirements of the law of the Party where the contract is executed.

## **Article 141. Intra-corporate Transferees and Business Visitors for Establishment Purposes**

1. Subject to the relevant conditions and qualifications specified in Annex 21:

(a) each Party shall allow:

(i) the entry and temporary stay of intra-corporate transferees;

(ii) the entry and temporary stay of business visitors for establishment purposes without requiring a work permit or other prior approval procedure of similar intent; and

(iii) the employment in its territory of intra-corporate transferees of the other Party;

(b) a Party shall not maintain or adopt limitations in the form of numerical quotas or economic needs tests regarding the total number of natural persons that, in a specific sector, are allowed entry as business visitors for establishment purposes or that an investor of the other Party may employ as intra-corporate transferees, either on the basis of a territorial subdivision or on the basis of its entire territory; and

(c) each Party shall accord to intra-corporate transferees and business visitors for establishment purposes of the other Party, during their temporary stay in its territory, treatment no less favourable than that it accords, in like situations, to its own natural persons.

2. The permissible length of stay shall be for a period of up to three years for managers and specialists, up to one year for trainee employees and up to 90 days within any six-month period for business visitors for establishment purposes.

## **Article 142. Short-term Business Visitors**

1. Subject to the relevant conditions and qualifications specified in Annex 21, each Party shall allow the entry and temporary stay of short-term business visitors of the other Party for the purposes of carrying out the activities listed in Annex 21, subject to the following conditions:

- (a) the short-term business visitors are not engaged in selling their goods or supplying services to the general public;
  - (b) the short-term business visitors do not, on their own behalf, receive remuneration from within the Party where they are staying temporarily; and
  - (c) the short-term business visitors are not engaged in the supply of a service in the framework of a contract concluded between a legal person that has not established in the territory of the Party where they are staying temporarily, and a consumer there, except as provided for in Annex 21.
2. Unless otherwise specified in Annex 21, a Party shall allow entry of short-term business visitors without the requirement of a work permit, economic needs test or other prior approval procedures of similar intent.
  3. If short-term business visitors of a Party are engaged in the supply of a service to a consumer in the territory of the Party where they are staying temporarily in accordance with Annex 21, that Party shall accord to them, with regard to the supply of that service, treatment no less favourable than that it accords, in like situations, to its own service suppliers.
  4. The permissible length of stay shall be for a period of up to 90 days in any six-month period.

### **Article 143. Contractual Service Suppliers and Independent Professionals**

1. In the sectors, subsectors and activities specified in Annex 22 and subject to the relevant conditions and qualifications specified therein:
  - (a) a Party shall allow the entry and temporary stay of contractual service suppliers and independent professionals in its territory;
  - (b) a Party shall not adopt or maintain limitations on the total number of contractual service suppliers and independent professionals of the other Party allowed entry and temporary stay, in the form of numerical quotas or an economic needs test; and
  - (c) each Party shall accord to contractual service suppliers and independent professionals of the other Party, with regard to the supply of their services in its territory, treatment no less favourable than that it accords, in like situations, to its own service suppliers.
2. Access accorded under this Article relates only to the service which is the subject of the contract and does not confer entitlement to use the professional title of the Party where the service is provided.
3. The number of persons covered by the service contract shall not be greater than necessary to fulfil the contract, as it may be required by the law of the Party where the service is supplied.
4. The permissible length of stay shall be for a cumulative period of 12 months, or for the duration of the contract, whichever is less.

### **Article 144. Non-conforming Measures**

To the extent that the relevant measure affects the temporary stay of natural persons for business purposes, points (b) and (c) of Article 141(1), Article 142(3) and points (b) and (c) of Article 143(1) do not apply to:

- (a) any existing non-conforming measure of a Party at the level of:
  - (i) for the Union:
    - (A) the Union, as set out in the Schedule of the Union in Annex 19;
    - (B) the central government of a Member State, as set out in the Schedule of the Union in Annex 19;
    - (C) a regional government of a Member State, as set out in the Schedule of the Union in Annex 19; or
    - (D) a local government, other than that referred to in point (C); and
  - (ii) for the United Kingdom:
    - (A) the central government, as set out in the Schedule of the United Kingdom in Annex 19;
    - (B) a regional subdivision, as set out in the Schedule of the United Kingdom in Annex 19; or

(C) a local government;

(b) the continuation or prompt renewal of any non-conforming measure referred to in point (a) of this Article;

(c) a modification to any non-conforming measure referred to in points (a) and (b) of this Article to the extent that it does not decrease the conformity of the measure, as it existed immediately before the modification, with points (b) and (c) of Article 141(1), Article 142(3) and points (b) and (c) of Article 143(1); or

(d) any measure of a Party consistent with a condition or qualification specified in Annex 20.

## **Article 145. Transparency**

1. Each Party shall make publicly available information on relevant measures that pertain to the entry and temporary stay of natural persons of the other Party, referred to in Article 140(1).

2. The information referred to in paragraph 1 shall, to the extent possible, include the following information relevant to the entry and temporary stay of natural persons:

(a) categories of visa, permits or any similar type of authorisation regarding the entry and temporary stay;

(b) documentation required and conditions to be met;

(c) method of filing an application and options on where to file, such as consular offices or online;

(d) application fees and an indicative timeframe of the processing of an application;

(e) the maximum length of stay under each type of authorisation described in point (a);

(f) conditions for any available extension or renewal;

(g) rules regarding accompanying dependants;

(h) available review or appeal procedures; and

(i) relevant laws of general application pertaining to the entry and temporary stay of natural persons for business purposes.

3. With respect to the information referred to in paragraphs 1 and 2, each Party shall endeavour to promptly inform the other Party of the introduction of any new requirements and procedures or of the changes in any requirements and procedures that affect the effective application for the grant of entry into, temporary stay in and, where applicable, permission to work in the former Party.

## **Chapter 5. REGULATORY FRAMEWORK**

### **Section 1. DOMESTIC REGULATION**

#### **Article 146. Scope and Definitions**

1. This Section applies to measures by the Parties relating to licensing requirements and procedures, qualification requirements and procedures, formalities and technical standards that affect:

(a) cross-border trade in services;

(b) establishment or operation; or

(c) the supply of a service through the presence of a natural person of a Party in the territory of the other Party as set out in Article 140.

As far as measures relating to technical standards are concerned, this Section only applies to measures that affect trade in services. For the purposes of this Section, the term "technical standards" does not include regulatory or implementing technical standards for financial services.

2. This Section does not apply to licensing requirements and procedures, qualification requirements and procedures, formalities and technical standards pursuant to a measure:

(a) that does not conform with Article 128 or 129 and is referred to in points (a) to (c) of Article 133(1) or with Article 135, 136

or 137 and is referred to in points (a) to (c) of Article 139(1) or with points (b) and (c) of Article 141(1), or Article 142(3) or with points (b) and (c) of Article 143(1) and is referred to in Article 144; or

(b) referred to in Article 133(2) or Article 139(2).

3. For the purposes of this Section, the following definitions apply:

(a) "authorisation" means the permission to carry out any of the activities referred to in points (a) to (c) of paragraph 1 resulting from a procedure a natural or legal person must adhere to in order to demonstrate compliance with licensing requirements, qualification requirements, technical standards or formalities for the purposes of obtaining, maintaining or renewing that permission; and

(b) "competent authority" means a central, regional or local government or authority or non- governmental body in the exercise of powers delegated by central, regional or local governments or authorities, which is entitled to take a decision concerning the authorisation referred to in point (a).

## **Article 147. Submission of Applications**

Each Party shall, to the extent practicable, avoid requiring an applicant to approach more than one competent authority for each application for authorisation. If an activity for which authorisation is requested is within the jurisdiction of multiple competent authorities, multiple applications for authorisation may be required.

## **Article 148. Application Timeframes**

If a Party requires authorisation, it shall ensure that its competent authorities, to the extent practicable, permit the submission of an application at any time throughout the year. If a specific time period for applying for authorisation exists, the Party shall ensure that the competent authorities allow a reasonable period of time for the submission of an application.

## **Article 149. Electronic Applications and Acceptance of Copies**

If a Party requires authorisation, it shall ensure that its competent authorities:

(a) to the extent possible provide for applications to be completed by electronic means, including from within the territory of the other Party; and

(b) accept copies of documents, that are authenticated in accordance with the Party's domestic law, in place of original documents, unless the competent authorities require original documents to protect the integrity of the authorisation process.

## **Article 150. Processing of Applications**

1. If a Party requires authorisation, it shall ensure that its competent authorities:

(a) process applications throughout the year. Where that is not possible, this information should be made public in advance, to the extent practicable;

(b) to the extent practicable, provide an indicative timeframe for the processing of an application. That timeframe shall be reasonable to the extent practicable;

(c) at the request of the applicant, provide without undue delay information concerning the status of the application;

(d) to the extent practicable, ascertain without undue delay the completeness of an application for processing under the Party's domestic laws and regulations;

(e) if they consider an application complete for the purposes of processing under the Party's domestic laws and regulations, (1) within a reasonable period of time after the submission of the application ensure that:

(i) the processing of the application is completed; and

(ii) the applicant is informed of the decision concerning the application, to the extent possible, in writing; (2)

(1) Balancing resource constraints against the potential burden on businesses, in cases where it is reasonable to do so, competent authorities

may require that all information is submitted in a specified format to consider it "complete for the purposes of processing".

(2) Competent authorities may meet the requirement set out in point (ii) by informing an applicant in advance in writing, including through a published measure, that a lack of response after a specified period of time from the date of submission of the application indicates acceptance of the application. The reference to "in writing" should be understood as including electronic format.

(f) if they consider an application incomplete for the purposes of processing under the Party's domestic laws and regulations, within a reasonable period of time, to the extent practicable:

(i) inform the applicant that the application is incomplete;

(ii) at the request of the applicant identify the additional information required to complete the application or otherwise provide guidance on why the application is considered incomplete; and

(iii) provide the applicant with the opportunity to provide the additional information that is required to complete the application; (1)

(1) Such "opportunity" does not require a competent authority to provide extensions of deadlines.

however, if none of the actions referred to in points (i), (ii) and (iii) is practicable, and the application is rejected due to incompleteness, the competent authorities shall ensure that they inform the applicant within a reasonable period of time; and

(g) if an application is rejected, either upon their own initiative or upon request of the applicant, inform the applicant of the reasons for rejection and of the timeframe for an appeal against that decision and, if applicable, the procedures for resubmission of an application; an applicant shall not be prevented from submitting another application solely on the basis of a previously rejected application.

2. The Parties shall ensure that their competent authorities grant an authorisation as soon as it is established, on the basis of an appropriate examination, that the applicant meets the conditions for obtaining it.

3. The Parties shall ensure that, once granted, an authorisation enters into effect without undue delay, subject to the applicable terms and conditions. (1)

(1) Competent authorities are not responsible for delays due to reasons outside their competence.

## **Article 151. Fees**

1. For all economic activities other than financial services, each Party shall ensure that the authorisation fees charged by its competent authorities are reasonable and transparent and do not in themselves restrict the supply of the relevant service or the pursuit of any other economic activity. Having regard to the cost and administrative burden, each Party is encouraged to accept payment of authorisation fees by electronic means.

2. With regard to financial services, each Party shall ensure that its competent authorities, with respect to authorisation fees that they charge, provide applicants with a schedule of fees or information on how fee amounts are determined, and do not use the fees as a means of avoiding the Party's commitments or obligations.

3. Authorisation fees do not include fees for the use of natural resources, payments for auction, tendering or other non-discriminatory means of awarding concessions or mandated contributions to universal service provision.

## **Article 152. Assessment of Qualifications**

If a Party requires an examination to assess the qualifications of an applicant for authorisation, it shall ensure that its competent authorities schedule such an examination at reasonably frequent intervals and provide a reasonable period of time to enable applicants to request to take the examination, To the extent practicable, each Party shall accept requests in electronic format to take such examinations and shall consider the use of electronic means in other aspects of examination processes,

## **Article 153. Publication and Information Available**

1. If a Party requires authorisation, the Party shall promptly publish the information necessary for persons carrying out or seeking to carry out the activities referred to in Article 146(1) for which the authorisation is required to comply with the requirements, formalities, technical standards and procedures for obtaining, maintaining, amending and renewing such authorisation. Such information shall include, to the extent it exists:

- (a) the licensing and qualification requirements and procedures and formalities;
- (b) contact information of relevant competent authorities;
- (c) authorisation fees;
- (d) applicable technical standards;
- (e) procedures for appeal or review of decisions concerning applications;
- (f) procedures for monitoring or enforcing compliance with the terms and conditions of licences or qualifications;
- (g) opportunities for public involvement, such as through hearings or comments; and
- (h) indicative timeframes for the processing of an application.

For the purposes of this Section, "publish" means to include in an official publication, such as an official journal, or on an official website. Parties shall consolidate electronic publications into a single online portal or otherwise ensure that competent authorities make them easily accessible through alternative electronic means.

2. Each Party shall require each of its competent authorities to respond to any request for information or assistance, to the extent practicable.

## **Article 154. Technical Standard**

Each Party shall encourage its competent authorities, when adopting technical standards, to adopt technical standards developed through open and transparent processes, and shall encourage any body, including relevant international organisations, designated to develop technical standards to do so through open and transparent processes.

## **Article 155. Conditions for Authorisation**

1. Each Party shall ensure that measures relating to authorisation are based on criteria which preclude the competent authorities from exercising their power of assessment in an arbitrary manner and may include, inter alia, competence and the ability to supply a service or any other economic activity, including to do so in compliance with a Party's regulatory requirements such as health and environmental requirements. For the avoidance of doubt, the Parties understand that in reaching decisions a competent authority may balance criteria.

2. The criteria referred to in paragraph 1 shall be:

- (a) clear and unambiguous;
- (b) objective and transparent;
- (c) pre-established;
- (d) made public in advance;
- (e) impartial; and
- (f) easily accessible.

3. If a Party adopts or maintains a measure relating to authorisation, it shall ensure that:

- (a) the competent authority concerned processes applications, and reaches and administers its decisions, objectively and impartially and in a manner independent of the undue influence of any person carrying out the economic activity for which authorisation is required; and
- (b) the procedures themselves do not prevent fulfilment of the requirements.

## **Article 156. Limited Numbers of Licences**

If the number of licences available for a given activity is limited because of the scarcity of available natural resources or technical capacity, a Party shall apply a selection procedure to potential candidates which provides full guarantees of impartiality, objectivity and transparency, including, in particular, adequate publicity about the launch, conduct and completion of the procedure. In establishing the rules for the selection procedure, a Party may take into account legitimate policy objectives, including considerations of health, safety, the protection of the environment and the preservation of cultural heritage.

## **Section 2. PROVISIONS OF GENERAL APPLICATION**

### **Article 157. Review Procedures for Administrative Decisions**

A Party shall maintain judicial, arbitral or administrative tribunals or procedures which provide, on request of an affected investor or service supplier of the other Party, for the prompt review of, and if justified appropriate remedies for, administrative decisions that affect establishment or operation, cross-border trade in services or the supply of a service through the presence of a natural person of a Party in the territory of the other Party. For the purposes of this Section, "administrative decisions" means a decision or action with a legal effect that applies to a specific person, good or service in an individual case and covers the failure to take an administrative decision or take such action when that is so required by a Party's law. If such procedures are not independent of the competent authority entrusted with the administrative decision concerned, a Party shall ensure that the procedures in fact provide for an objective and impartial review.

### **Article 158. Professional Qualifications**

1. Nothing in this Article shall prevent a Party from requiring that natural persons possess the necessary professional qualifications specified in the territory where the activity is performed, for the sector of activity concerned!

2. The professional bodies or authorities, which are relevant for the sector of activity concerned in their respective territories, may develop and provide joint recommendations on the recognition of professional qualifications to the Partnership Council. Such joint recommendations shall be supported by an evidence-based assessment of:

(a) the economic value of an envisaged arrangement on the recognition of professional qualifications; and

(b) the compatibility of the respective regimes, that is, the extent to which the requirements applied by each Party for the authorisation, licensing, operation and certification are compatible.

For greater certainty, this Article shall not be construed to prevent the negotiation and conclusion of one or more agreements between the Parties on the recognition of professional qualifications on conditions and requirements different from those provided for in this Article.

3. On receipt of a joint recommendation, the Partnership Council shall review its consistency with this Title within a reasonable period of time. The Partnership Council may, following such review, develop and adopt an arrangement on the conditions for the recognition of professional qualifications by decision as an annex to this Agreement, which shall be considered to form an integral part of this Title. (1)

4. An arrangement referred to in paragraph 3 shall provide for the conditions for recognition of professional qualifications acquired in the Union and professional qualifications acquired in the United Kingdom relating to an activity covered by this Title and Title III of this Heading.

5. The Guidelines for arrangements on the recognition of professional qualifications set out in Annex 24 shall be taken into account in the development of the joint recommendations referred to in paragraph 2 of this Article and by the Partnership Council when assessing whether to adopt such an Arrangement, as referred to in paragraph 3 of this Article.

(1) For greater certainty, such arrangements shall not lead to the automatic recognition of qualifications but shall set, in the mutual interest of both Parties, the conditions for the competent authorities granting recognition.

## **Section 3. DELIVERY SERVICES**

### **Article 159. Scope and Definitions**



1. This Section applies to measures of a Party affecting the supply of delivery services in addition to Chapters 1, 2, 3 and 4 of this Title, and to Sections 1 and 2 of this Chapter.

2. For the purposes of this Section, the following definitions apply:

(a) "delivery services" means postal services, courier services, express delivery services or express mail services, which include the following activities: the collection, sorting, transport, and delivery of postal items;

(b) "express delivery services" means the collection, sorting, transport and delivery of postal items at accelerated speed and reliability and may include value added elements such as collection from point of origin, personal delivery to the addressee, tracing, possibility of changing the destination and addressee in transit or confirmation of receipt;

(c) "express mail services" means international express delivery services supplied through the EMS Cooperative, which is the voluntary association of designated postal operators under Universal Postal Union (UPU);

(d) "licence" means an authorisation that a regulatory authority of a Party may require of an individual supplier in order for that supplier to offer postal or courier services;

(e) "postal item" means an item up to 31.5 kg addressed in the final form in which it is to be carried by any type of supplier of delivery services, whether public or private and may include items such as a letter, parcel, newspaper or catalogue;

(f) "postal monopoly" means the exclusive right to supply specified delivery services within a Party's territory or a subdivision thereof pursuant to the law of that Party; and

(g) "universal service" means the permanent supply of a delivery service of specified quality at all points in the territory of a Party or a subdivision thereof at affordable prices for all users.

## **Article 160. Universal Service**

1. Each Party has the right to define the kind of universal service obligation it wishes to maintain and to decide on its scope and implementation. Any universal service obligation shall be administered in a transparent, non-discriminatory and neutral manner with regard to all suppliers subject to the obligation.

2. If a Party requires inbound express mail services to be supplied on a universal service basis, it shall not accord preferential treatment to those services over other international express delivery services.

## **Article 161. Universal Service Funding**

A party shall not impose fees or other charges on the supply of a delivery service that is not a universal service for the purposes of funding the supply of a universal service. This Article does not apply to generally applicable taxation measures or administrative fees.

## **Article 162. Prevention of Market Distortive Practices**

Each party shall ensure that suppliers of delivery services subject to a universal service obligation or postal monopolies do not engage in market distortive practices such as:

(a) using revenues derived from the supply of the service subject to a universal service obligation or from a postal monopoly to cross-subsidise the supply of an express delivery service or any delivery service which is not subject to a universal service obligation; or

(b) unjustifiably differentiating between consumers with respect to tariffs or other terms and conditions for the supply of a service subject to a universal service or a postal monopoly.

## **Article 163. Licences**

1. If a Party requires a licence for the provision of delivery services, it shall make publicly available:

(a) all the licensing requirements and the period of time normally required to reach a decision concerning an application for a licence; and

(b) the terms and conditions of licences.

2. The procedures, obligations and requirements of a licence shall be transparent, non-discriminatory and based on objective criteria.

3. If a licence application is rejected by the competent authority, it shall inform the applicant of the reasons for the rejection in writing. Each Party shall establish an appeal procedure through an independent body available to applicants whose licence has been rejected. That body may be a court.

## **Article 164. Independence of the Regulatory Body**

1. Each Party shall establish or maintain a regulatory body which shall be legally distinct from and functionally independent from any supplier of delivery services. If a Party owns or controls a supplier of delivery services, it shall ensure the effective structural separation of the regulatory function from activities associated with ownership or control.

2. The regulatory bodies shall perform their tasks in a transparent and timely manner and have adequate financial and human resources to carry out the task assigned to them. Their decisions shall be impartial with respect to all market participants.

## **Section 4. TELECOMMUNICATIONS SERVICES**

### **Article 165. Scope**

This Section applies to measures of a Party affecting the supply of telecommunications services in addition to Chapters 1, 2, 3 and 4 of this Title, and to Sections 1 and 2 of this Chapter.

### **Article 166. Definitions**

For the purposes of this Section, the following definitions apply:

(a) "associated facilities" means associated services, physical infrastructure and other facilities or elements associated with a telecommunications network or telecommunications service which enable or support the supply of services via that network or service or have the potential to do so;

(b) "end user" means a final consumer of, or subscriber to, a public telecommunications service, including a service supplier other than a supplier of public telecommunications services;

(c) "essential facilities" means facilities of a public telecommunications network or a public telecommunications service that:

(i) are exclusively or predominantly provided by a single or limited number of suppliers; and

(ii) cannot feasibly be economically or technically substituted in order to provide a service;

(d) "interconnection" means the linking of public telecommunications networks used by the same or different suppliers of telecommunications networks or telecommunications services in order to allow the users of one supplier to communicate with users of the same or another supplier or to access services provided by another supplier, irrespective of whether those services are provided by the suppliers involved or any other supplier who has access to the network;

(e) "international mobile roaming service" means a commercial mobile service provided pursuant to a commercial agreement between suppliers of public telecommunications services that enables an end user to use its home mobile handset or other device for voice, data or messaging services while outside the territory in which the end user's home public telecommunications network is located;

(f) "internet access service" means a public telecommunications service that provides access to the internet and thereby connectivity to virtually all end points of the internet, irrespective of the network technology and terminal equipment used;

(g) "leased circuit" means telecommunications services or facilities, including those of a virtual nature, that set aside capacity for the dedicated use by, or availability to, a user between two or more designated points;

(h) "major supplier" means a supplier of telecommunications networks or telecommunications services which has the ability to materially affect the terms of participation, having regard to price and supply, in a relevant market for telecommunications networks or telecommunications services as a result of control over essential facilities or the use of its position in that market;

(i) "network element" means a facility or equipment used in supplying a telecommunications service, including features,

functions and capabilities provided by means of that facility or equipment;

(j) "number portability" means the ability of subscribers who so request to retain the same telephone numbers, at the same location in the case of a fixed line, without impairment of quality, reliability or convenience when switching between the same category of suppliers of public telecommunications services;

(k) "public telecommunications network" means any telecommunications network used wholly or mainly for the provision of public telecommunications services which supports the transfer of information between network termination points;

(l) "public telecommunications service" means any telecommunications service that is offered to the public generally;

(m) "subscriber" means any natural or legal person which is party to a contract with a supplier of public telecommunications services for the supply of such services;

(n) "telecommunications" means the transmission and reception of signals by any electromagnetic means;

(o) "telecommunications network" means transmission systems and, where applicable, switching or routing equipment and other resources, including network elements which are not active, which permit the transmission and reception of signals by wire, radio, optical, or other electromagnetic means;

(p) "telecommunications regulatory authority" means the body or bodies charged by a Party with the regulation of telecommunications networks and telecommunications services covered by this Section;

(q) "telecommunications service" means a service which consists wholly or mainly in the transmission and reception of signals, including broadcasting signals, over telecommunications networks, including those used for broadcasting, but not a service providing, or exercising editorial control over, content transmitted using telecommunications networks and telecommunications services;

(r) "universal service" means the minimum set of services of specified quality that must be made available to all users, or to a set of users, in the territory of a Party, or in a subdivision thereof, regardless of their geographical location and at an affordable price; and

(s) "user" means any natural or legal person using a public telecommunications service.

## **Article 167. Telecommunications Regulatory Authority**

1. Each Party shall establish or maintain a telecommunications regulatory authority that:

(a) is legally distinct and functionally independent from any supplier of telecommunications networks, telecommunications services or telecommunications equipment;

(b) uses procedures and issues decisions that are impartial with respect to all market participants;

(c) acts independently and does not seek or take instructions from any other body in relation to the exercise of the tasks assigned to it by law to enforce the obligations set out in Articles 169, 170, 171, 173 and 174;

(d) has the regulatory power, as well as adequate financial and human resources, to carry out the tasks mentioned in point (c) of this Article;

(e) has the power to ensure that suppliers of telecommunications networks or telecommunications services provide it, promptly upon request, with all the information (1), including financial information, which is necessary to enable it to carry out the tasks mentioned in point (c) of this Article; and

(f) exercises its powers transparently and in a timely manner.

2. Each Party shall ensure that the tasks assigned to the telecommunications regulatory authority are made public in an easily accessible and clear form, in particular where those tasks are assigned to more than one body.

3. A Party that retains ownership or control of suppliers of telecommunications networks or telecommunications services shall ensure the effective structural separation of the regulatory function from activities associated with ownership or control.

4. Each Party shall ensure that a user or supplier of telecommunications networks or telecommunications services affected by a decision of the telecommunications regulatory authority has a right of appeal before an appeal body which is independent of the regulatory authority and other affected parties. Pending the outcome of the appeal, the decision shall

stand, unless interim measures are granted in accordance with the Party's law.

(1) Information requested shall be treated in accordance with the requirements of confidentiality.

## **Article 168. Authorisation to Provide Telecommunications Networks or Services**

1. Each Party shall permit the provision of telecommunications networks or telecommunications services without a prior formal authorisation.
2. Each Party shall make publicly available all the criteria, applicable procedures and terms and conditions under which suppliers are permitted to provide telecommunications networks or telecommunications services.
3. Any authorisation criteria and applicable procedures shall be as simple as possible, objective, transparent, non-discriminatory and proportionate. Any obligations and conditions imposed on or associated with an authorisation shall be non-discriminatory, transparent and proportionate, and shall be related to the services or networks provided.
4. Each Party shall ensure that an applicant for an authorisation receives in writing the reasons for any denial or revocation of an authorisation or the imposition of supplier-specific conditions. In such cases, the applicant shall have a right of appeal before an appeal body.
5. Administrative fees imposed on suppliers shall be objective, transparent, non-discriminatory and commensurate with the administrative costs reasonably incurred in the management, control and enforcement of the obligations set out in this Section!.

## **Article 169. Interconnection**

Each Party shall ensure that a supplier of public telecommunications networks or public telecommunications services has the right and, when so requested by another supplier of public telecommunications networks or public telecommunications services, the obligation to negotiate interconnection for the purposes of providing public telecommunications networks or public telecommunications services.

Administrative fees do not include payments for rights to use scarce resources and mandated contributions to universal service provision.

## **Article 170. Access and Use**

1. Each Party shall ensure that any covered enterprise or service supplier of the other Party is accorded access to and use of public telecommunications networks or public telecommunications services on reasonable and non-discriminatory (1) terms and conditions. This obligation shall be applied, inter alia, to paragraphs 2 to 5.
2. Each Party shall ensure that covered enterprises or service suppliers of the other Party have access to and use of any public telecommunications network or public telecommunications service offered within or across its border, including private leased circuits, and to that end shall ensure, subject to paragraph 5, that such enterprises and suppliers are permitted:
  - (a) to purchase or lease and attach terminal or other equipment which interfaces with the network and which is necessary to conduct their operations;
  - (b) to interconnect private leased or owned circuits with public telecommunications networks or with circuits leased or owned by another covered enterprise or service supplier; and
  - (c) to use the operating protocols of their choice in their operations, other than as necessary to ensure the availability of telecommunications services to the public generally.
3. Each Party shall ensure that covered enterprises or service suppliers of the other Party may use public telecommunications networks and public telecommunications services for the movement of information within and across borders, including for their intra-corporate communications, and for access to information contained in databases or otherwise stored in machine-readable form in the territory of either Party.
4. Notwithstanding paragraph 3, a Party may take such measures as are necessary to ensure the security and confidentiality of communications, subject to the requirement that such measures are not applied in a manner which would constitute

either a disguised restriction on trade in services or a means of arbitrary or unjustifiable discrimination or of nullification or impairment of benefits under this Title.

5. Each Party shall ensure that no condition is imposed on access to and use of public telecommunications networks or services other than as necessary: \$

(a) to safeguard the public service responsibilities of suppliers of public telecommunications networks or public telecommunications services, in particular their ability to make their services available to the public generally; or

(b) to protect the technical integrity of public telecommunications networks or services.

(1) For the purposes of this Article, "non-discriminatory" means most-favoured-nation and national treatment as defined in Articles 129, 130, 136 and 137, as well as under terms and conditions no less favourable than those accorded to any other user of like public telecommunications networks or services in like situations.

## **Article 171. Resolution of Telecommunications Disputes**

1. Each Party shall ensure that, in the event of a dispute arising between suppliers of telecommunications networks or telecommunications services in connection with rights and obligations that arise from this Section, and upon request of either party involved in the dispute, the telecommunications regulatory authority issues a binding decision within a reasonable timeframe to resolve the dispute.

2. The decision by the telecommunications regulatory authority shall be made available to the public, having regard to the requirements of business confidentiality. The parties concerned shall be given a full statement of the reasons on which it is based and shall have the right of appeal referred to in Article 167(4).

3. The procedure referred to in paragraphs 1 and 2 shall not preclude either party concerned from bringing an action before a judicial authority.

## **Article 172. Competitive Safeguards on Major Suppliers**

Each Party shall introduce or maintain appropriate measures for the purpose of preventing suppliers of telecommunications networks or telecommunications services who, alone or together, are a major supplier from engaging in or continuing anti-competitive practices. These anti-competitive practices shall include in particular:

(a) engaging in anti-competitive cross-subsidisation;

(b) using information obtained from competitors with anti-competitive results; and

(c) not making available to other service suppliers on a timely basis technical information about essential facilities and commercially relevant information which are necessary for them to provide services.

## **Article 173. Interconnection with Major Suppliers**

1. Each Party shall ensure that major suppliers of public telecommunications networks or public telecommunications services provide interconnection at any technically feasible point in the network. Such interconnection shall be provided:

(a) under non-discriminatory terms and conditions (including as regards rates, technical standards, specifications, quality and maintenance) and of a quality no less favourable than that provided for the own like services of such major supplier, or for like services of its subsidiaries or other affiliates;

(b) in a timely fashion, on terms and conditions (including as regards rates, technical standards, specifications, quality and maintenance) that are transparent, reasonable, having regard to economic feasibility, and sufficiently unbundled so that the supplier need not pay for network elements or facilities that it does not require for the service to be provided; and

(c) upon request, at points in addition to the network termination points offered to the majority of users, subject to charges that reflect the cost of construction of necessary additional facilities.

2. The procedures applicable for interconnection to a major supplier shall be made publicly available.

3. Major suppliers shall make publicly available either their interconnection agreements or their reference interconnection offers as appropriate.

## **Article 174. Access to Major Suppliers Essential Facilities**

Each Party shall ensure that major suppliers in its territory make their essential facilities available to suppliers of telecommunications networks or telecommunications services on reasonable, transparent and non-discriminatory terms and conditions for the purpose of providing public telecommunications services, except where this is not necessary to achieve effective competition on the basis of the facts collected and the assessment of the market conducted by the telecommunications regulatory authority. The major supplier's essential facilities may include network elements, leased circuits services and associated facilities,

## **Article 175. Scarce Resources**

1. Each Party shall ensure that the allocation and granting of rights of use of scarce resources, including radio spectrum, numbers and rights of way, is carried out in an open, objective, timely, transparent, non-discriminatory and proportionate manner and by taking into account general interest objectives. Procedures, and conditions and obligations attached to rights of use, shall be based on objective, transparent, non-discriminatory and proportionate criteria.
2. The current use of allocated frequency bands shall be made publicly available, but detailed identification of radio spectrum allocated for specific government uses is not required.
3. Parties may rely on market-based approaches, such as bidding procedures, to assign spectrum for commercial use.
4. The Parties understand that measures of a Party allocating and assigning spectrum and managing frequency are not in and of themselves inconsistent with Articles 128 and 135. Each Party retains the right to establish and apply spectrum and frequency management measures that may have the effect of limiting the number of suppliers of telecommunications services, provided that it does so in a manner consistent with this Agreement. This includes the ability to allocate frequency bands taking into account current and future needs and spectrum availability.

## **Article 176. Universal Service**

1. Each Party has the right to define the kind of universal service obligations it wishes to maintain and to decide on their scope and implementation.
2. Each Party shall administer the universal service obligations in a proportionate, transparent, objective and non-discriminatory way, which is neutral with respect to competition and not more burdensome than necessary for the kind of universal service defined by the Party.
3. Each Party shall ensure that procedures for the designation of universal service suppliers are open to all suppliers of public telecommunications networks or public telecommunications services. Such designation shall be made through an efficient, transparent and non-discriminatory mechanism,
4. If a Party decides to compensate the universal service suppliers, it shall ensure that such compensation does not exceed the net cost caused by the universal service obligation.

## **Article 177. Number Portability**

Each Party shall ensure that suppliers of public telecommunications services provide number portability on reasonable terms and conditions.

## **Article 178. Open Internet Access**

1. Each Party shall ensure that, subject to its laws and regulations, suppliers of internet access services enable users of those services to:
  - (a) access and distribute information and content, use and provide applications and services of their choice, subject to non-discriminatory, reasonable, transparent and proportionate network management; and
  - (b) use devices of their choice, provided that such devices do not harm the security of other devices, the network or services provided over the network.
2. For greater certainty, nothing in this Article shall prevent the Parties from adopting measures with the aim of protecting public safety with regards to users online.

## **Article 179. Confidentiality of Information**

1. Each Party shall ensure that suppliers that acquire information from another supplier in the process of negotiating arrangements pursuant to Articles 169, 170, 173 and 174 use that information solely for the purpose for which it was supplied and respect at all times the confidentiality of information transmitted or stored.
2. Each Party shall ensure the confidentiality of communications and related traffic data transmitted in the use of public telecommunications networks or public telecommunications services subject to the requirement that measures applied to that end do not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on trade in services.

## **Article 180. Foreign Shareholding**

With regard to the provision of telecommunications networks or telecommunications services through establishment and notwithstanding Article 133, a Party shall not impose joint venture requirements or limit the participation of foreign capital in terms of maximum percentage limits on foreign shareholding or the total value of individual or aggregate foreign investment.

## **Article 181. International Mobile Roaming (1)**

1. The Parties shall endeavour to cooperate on promoting transparent and reasonable rates for international mobile roaming services in ways that can help promote the growth of trade among the Parties and enhance consumer welfare.
2. Parties may choose to take steps to enhance transparency and competition with respect to international mobile roaming rates and technological alternatives to roaming services, such as:
  - (a) ensuring that information regarding retail rates is easily accessible to end users; and
  - (b) minimising impediments to the use of technological alternatives to roaming, whereby end users visiting the territory of a Party from the territory of the other Party can access telecommunications services using the device of their choice.
3. Each Party shall encourage suppliers of public telecommunications services in its territory to make publicly available information on retail rates for international mobile roaming services for voice, data and text messages offered to their end users when visiting the territory of the other Party.
4. Nothing in this Article shall require a Party to regulate rates or conditions for international mobile roaming services.

(1) This Article does not apply to intra-European Union roaming services, which are commercial mobile services provided pursuant to a commercial agreement between suppliers of public telecommunications services that enable an end user to use its home mobile handset or other device for voice, data or messaging services in a Member State other than that in which the end user's home public telecommunications network is located.

## **Section 5. FINANCIAL SERVICES**

### **Article 182. Scope**

1. This Section applies to measures of a Party affecting the supply of financial services in addition to Chapters 1, 2, 3 and 4 of this Title, and to Sections 1 and 2 of this Chapter.
2. For the purposes of this Section, the term "activities performed in the exercise of governmental authority" referred to in point (f) of Article 124 means the following (1):
  - (a) activities conducted by a central bank or a monetary authority or by any other public entity in pursuit of monetary or exchange rate policies;
  - (b) activities forming part of a statutory system of social security or public retirement plans; and
  - (c) other activities conducted by a public entity for the account or with the guarantee or using the financial resources of the Party or its public entities.
3. For the purposes of the application of point (f) of Article 124 to this Section, if a Party allows any of the activities referred to in point (b) or (c) of paragraph 2 of this Article to be conducted by its financial service suppliers in competition with a

public entity or a financial service supplier, "activities performed in the exercise of governmental authority" does not include those activities,

4. Point (a) of Article 124 does not apply to services covered by this Section.

(1) For greater certainty, this modification applies to "services supplied in the exercise of governmental authority" in point (0) of Article 124 as it applies to "activities performed in the exercise of governmental authority" in point (f) of Article 124.

## **Article 183. Definitions**

For the purposes of this Title, the following definitions apply:

(a) "financial service" means any service of a financial nature offered by a financial service supplier of a Party and includes the following activities:

(i) insurance and insurance-related services:

(A) direct insurance (including co-insurance):

(aa) life;

(bb) non-life;

(B) reinsurance and retrocession;

(C) insurance intermediation, such as brokerage and agency; and

(D) services auxiliary to insurance, such as consultancy, actuarial, risk assessment and claim settlement services;

(ii) banking and other financial services (excluding insurance):

(A) acceptance of deposits and other repayable funds from the public;

(B) lending of all types, including consumer credit, mortgage credit, factoring and financing of commercial transaction;

(C) financial leasing;

(D) all payment and money transmission services, including credit, charge and debit cards, travellers cheques and bankers drafts;

(E) guarantees and commitments;

(F) trading for own account or for account of customers, whether on an exchange, in an over-the-counter market or otherwise, the following:

(aa) money market instruments (including cheques, bills, certificates of deposits);

(bb) foreign exchange;

(cc) derivative products including, but not limited to, futures and options;

(dd) exchange rate and interest rate instruments, including products such as swaps, forward rate agreements;

(ee) transferable securities; and

(ff) other negotiable instruments and financial assets, including bullion;

(G) participation in issues of all kinds of securities, including underwriting and placement as agent (whether publicly or privately) and provision of services related to such issues;

(H) money broking;

(I) asset management, such as cash or portfolio management, all forms of collective investment management, pension fund management, custodial, depository and trust services;

(J) settlement and clearing services for financial assets, including securities, derivative products, and other negotiable



instruments;

(K) provision and transfer of financial information, and financial data processing and related software; and

(L) advisory, intermediation and other auxiliary financial services on all the activities listed in points (A) to (K), including credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy;

(b) "financial service supplier" means any natural or legal person of a Party that seeks to supply or supplies financial services and does not include a public entity;

(c) "new financial service" means a service of a financial nature including services related to existing and new products or the manner in which a product is delivered, that is not supplied by any financial service supplier in the territory of a Party but which is supplied in the territory of the other Party;

(d) "public entity" means:

(i) a government, a central bank or a monetary authority, of a Party, or an entity owned or controlled by a Party, that is principally engaged in carrying out governmental functions or activities for governmental purposes, not including an entity principally engaged in supplying financial services on commercial terms; or

(ii) a private entity, performing functions normally performed by a central bank or monetary authority, when exercising those functions;

(e) "self-regulatory organisation" means any non-governmental body, including a securities or futures exchange or market, clearing agency, other organisation or association, that exercises regulatory or supervisory authority over financial service suppliers by statute or delegation from central, regional or local governments or authorities, where applicable.

## **Article 184. Prudential Carve-out**

1. Nothing in this Agreement shall prevent a Party from adopting or maintaining measures for prudential reasons (1), such as:

(a) the protection of investors, depositors, policy-holders or persons to whom a fiduciary duty is owed by a financial service supplier; or

(b) ensuring the integrity and stability of a Party's financial system.

2. Where such measures do not conform with the provisions of this Agreement, they shall not be used as a means of avoiding the Party's commitments or obligations under this Agreement.

(1) For greater certainty, this shall not prevent a Party from adopting or maintaining measures for prudential reasons in relation to branches established in its territory by legal persons in the other Party.

## **Article 185. Confidential Information**

Without prejudice to Part Three, nothing in this Agreement shall be construed to require a Party to disclose information relating to the affairs and accounts of individual consumers or any confidential or proprietary information in the possession of public entities.

## **Article 186. International Standards**

The Parties shall make their best endeavours to ensure that internationally agreed standards in the financial services sector for regulation and supervision, for the fight against money laundering and terrorist financing and for the fight against tax evasion and avoidance, are implemented and applied in their territory. Such internationally agreed standards are, inter alia, those adopted by: the G20; the Financial Stability Board; the Basel Committee on Banking Supervision, in particular its "Core Principle for Effective Banking Supervision"; the International Association of Insurance Supervisors, in particular its "Insurance Core Principles"; the International Organisation of Securities Commissions, in particular its "Objectives and Principles of Securities Regulation"; the Financial Action Task Force; and the Global Forum on Transparency and Exchange of Information for Tax Purposes of the Organisation for Economic Cooperation and Development.

## **Article 187. Financial Services New to the Territory of a Party**

1. Each Party shall permit a financial service supplier of the other Party established in its territory to supply any new financial service that it would permit its own financial service suppliers to supply in accordance with its law in like situations, provided that the introduction of the new financial service does not require the adoption of a new law or the amendment of an existing law. This does not apply to branches of the other Party established in the territory of a Party.

2. A Party may determine the institutional and legal form through which the service may be supplied and require authorisation for the supply of the service. Where such authorisation is required, a decision shall be made within a reasonable time and the authorisation may only be refused for prudential reasons.

## **Article 188. Self-regulatory Organisations**

Where a Party requires membership of, participation in, or access to, any self-regulatory organisation in order for financial service suppliers of the other Party to supply financial services in its territory, the Party shall ensure observance by that self-regulatory organisation of the obligations under Articles 129, 130, 137 and 138.

## **Article 189. Clearing and Payment Systems**

Under terms and conditions that accord national treatment, each Party shall grant to financial service suppliers of the other Party established in its territory access to payment and clearing systems operated by public entities, and to official funding and refinancing facilities available in the normal course of ordinary business. This Article does not confer access to the Party's lender of last resort facilities

# **Section 6. INTERNATIONAL MARITIME TRANSPORT SERVICES**

## **Article 190. Scope and Definitions**

1. This Section applies to measures of a Party affecting the supply of international maritime transport services in addition to Chapters 1, 2, 3, 4 and Section 1 of this Chapter.

2. For the purposes of this Section and Chapters 1, 2, 3 and 4 of this Title, the following definitions apply:

(a) "international maritime transport services" means the transport of passengers or cargo by sea-going vessels between a port of one Party and a port of the other Party or of a third country, or between ports of different Member States, including the direct contracting with providers of other transport services, with a view to covering door-to-door or multimodal transport operations under a single transport document, but does not include the right to provide such other transport services;

(b) "door-to-door or multimodal transport operations" means the transport of international cargo using more than one mode of transport, that includes an international sea-leg, under a single transport document;

(c) "international cargo" means cargo transported between a port of one Party and a port of the other Party or of a third country, or between ports of different Member States;

(d) "maritime auxiliary services" means maritime cargo handling services, customs clearance services, container station and depot services, maritime agency services, maritime freight forwarding services and storage and warehousing services;

(e) "maritime cargo handling services" means activities exercised by stevedore companies, including terminal operators but not including the direct activities of dockers if the workforce is organised independently of the stevedoring or terminal operator companies; the activities covered include the organisation and supervision of:

(i) loading or discharging of cargo to or from a ship;

(ii) the lashing or unlashings of cargo; and

(iii) the reception or delivery and safekeeping of cargoes before shipment or after discharge;

(f) "customs clearance services" means activities consisting in carrying out, on behalf of another party, customs formalities concerning import, export or through transport of cargoes, irrespective of whether these services are the main activity of the service supplier or a usual complement of its main activity;

- (g) "container station and depot services" means activities that consist of storing, stuffing, stripping or repairing of containers and making containers available for shipment, whether in port areas or inland;
- (h) "maritime agency services" means activities that consist of representing, within a given geographic area, as an agent the business interests of one or more shipping lines or shipping companies, for the following purposes:
- (i) marketing and sales of maritime transport and related services, from quotation to invoicing, issuance of bills of lading on behalf of the lines or companies, acquisition and resale of the necessary related services, preparation of documentation and provision of business information; and
- (ii) acting on behalf of the lines or companies organising the call of the ship or taking over cargoes when required;
- (i) "feeder services" means, without prejudice to the scope of activities that may be considered cabotage under the relevant national legislation, the pre- and onward transportation by sea of international cargo, including containerised, break bulk and dry or liquid bulk cargo, between ports located in the territory of a Party, provided such international cargo is "en route", that is, directed to a destination, or coming from a port of shipment, outside the territory of that Party;
- (j) "maritime freight forwarding services" means the activity consisting of organising and monitoring shipment operations on behalf of shippers, through the arrangement of transport and related services, preparation of documentation and provision of business information;
- (k) "port services" means services provided inside a maritime port area or on the waterway access to such area by the managing body of a port, its subcontractors, or other service providers to support the transport of cargo or passengers; and
- (l) "storage and warehousing services" means storage services of frozen or refrigerated goods, bulk storage services of liquids or gases, and other storage or warehousing services.

## **Article 191. Obligations**

1. Without prejudice to non-conforming measures or other measures referred to in Articles 133 and 139, each Party shall implement the principle of unrestricted access to the international maritime markets and trades on a commercial and non-discriminatory basis by:

(a) according to ships flying the flag of the other Party, or operated by service suppliers of the other Party, treatment no less favourable than that accorded to its own ships with regard to, inter alia:

(i) access to ports;

(ii) the use of port infrastructure;

(iii) the use of maritime auxiliary services; and

(iv) customs facilities and the assignment of berths and facilities for loading and unloading, including related fees and charges;

(b) making available to international maritime transport service suppliers of the other Party, on terms and conditions which are both reasonable and no less favourable than those applicable to its own suppliers or vessels or to vessels or suppliers of a third country (including fees and charges, specifications and quality of the service to be provided), the following port services: pilotage, towing and tug assistance, provisioning, fuelling and watering, garbage collecting and ballast waste disposal, port captain's services, navigation aids, emergency repair facilities, anchorage, berth, berthing and unberthing services and shore-based operational services essential to ship operations, including communications, water and electrical supplies;

(c) permitting international maritime transport service suppliers of the other Party, subject to the authorisation by the competent authority where applicable, to re-position owned or leased empty containers, which are not being carried as cargo against payment, between ports of the United Kingdom or between ports of a Member State; and

(d) permitting international maritime transport service suppliers of the other Party to provide feeder services between ports of the United Kingdom or between ports of a Member State, subject to the authorisation by the competent authority where applicable.

2. In applying the principle referred to in paragraph 1, a Party shall:

(a) not introduce cargo-sharing arrangements in future agreements with third countries concerning international maritime

transport services, including dry and liquid bulk and liner trade, and terminate, within a reasonable period of time, such cargo-sharing arrangements in case they exist in previous agreements;

(b) not adopt or maintain a measure that requires all or part of any international cargo to be transported exclusively by vessels registered in that Party or owned or controlled by natural persons of that Party;

(c) abolish and abstain from introducing any unilateral measures or administrative, technical and other obstacles which could constitute a disguised restriction or have discriminatory effects on the free supply of international maritime transport services; and

(d) not prevent international maritime transport service suppliers of the other Party from directly contracting with other transport service suppliers for door-to-door or multimodal transport operations.

## **Section 7. LEGAL SERVICES**

### **Article 192. Scope**

1. This Section applies to measures of a Party affecting the supply of designated legal services in addition to Chapters 1, 2, 3 and 4 of this Title and to Sections 1 and 2 of this Chapter.

2. Nothing in this Section shall affect the right of a Party to regulate and supervise the supply of designated legal services in its territory in a non-discriminatory manner.

### **Article 193. Definitions**

For the purposes of this Section, the following definitions apply:

(a) "designated legal services" means legal services in relation to home jurisdiction law and public international law, excluding Union law;

(b) "home jurisdiction" means the jurisdiction (or a part of the jurisdiction) of the Member State or of the United Kingdom in which a lawyer acquired their home jurisdiction professional title or, in the case of a lawyer who has acquired a home jurisdiction professional title in more than one jurisdiction, any of those jurisdictions;

(c) "home jurisdiction law" means the law of the lawyer's home jurisdiction; (1)

(1) For greater certainty, for the purposes of this Title, Union law is part of the home jurisdiction law of the lawyers referred to in point (e)(i) of this Article.

(d) "home jurisdiction professional title" means:

(i) for a lawyer of the Union, a professional title acquired in a Member State authorising the supply of legal services in that Member State; or

(ii) for a lawyer of the United Kingdom, the title of advocate, barrister or solicitor, authorising the supply of legal services in any part of the jurisdiction of the United Kingdom,

(e) "lawyer" means:

(i) a natural person of the Union who is authorised in a Member State to supply legal services under a home jurisdiction professional title; or

(ii) a natural person of the United Kingdom who is authorised in any part of the jurisdiction of the United Kingdom to supply legal services under a home jurisdiction professional title;

(f) "lawyer of the other Party" means:

(i) where "the other Party" is the Union, a lawyer referred to in point (e)(i); or

(ii) where "the other Party" is the United Kingdom, a lawyer referred to in point (e)(ii); and

(g) "legal services" means the following services:

(i) legal advisory services; and

(ii) legal arbitration, conciliation and mediation services (but excluding such services when supplied by natural persons as set out in Article 140). (1)

"Legal services" do not include legal representation before administrative agencies, the courts, and other duly constituted official tribunals of a Party, legal advisory and legal authorisation, documentation and certification services supplied by legal professionals entrusted with public functions in the administration of justice such as notaries, "huissiers de justice" or other "officiers publics et ministériels", and services supplied by bailiffs who are appointed by an official act of government.

(1) "Legal arbitration, conciliation and mediation services" means the preparation of documents to be submitted to, the preparation for and appearance before, an arbitrator, conciliator or mediator in any dispute involving the application and interpretation of law. It does not include arbitration, conciliation and mediation services in disputes not involving the application and interpretation of law, which fall under services incidental to management consulting. It also does not include acting as an arbitrator, conciliator or mediator. As a sub-category, international legal arbitration, conciliation or mediation services refers to the same services when the dispute involves parties from two or more countries.

## Article 194. Obligations

1. A Party shall allow a lawyer of the other Party to supply in its territory designated legal services under that lawyer's home jurisdiction professional title in accordance with Articles 128, 129, 135, 137 and 143.

2. Where a Party (the "host jurisdiction") requires registration in its territory as a condition for a lawyer of the other Party to supply designated legal services pursuant to paragraph 1, the requirements and process for such registration shall not:

(a) be less favourable than those which apply to a natural person of a third country who is supplying legal services in relation to third country law or public international law under that person's third country professional title in the territory of the host jurisdiction; and

(b) amount to or be equivalent to any requirement to requalify into or be admitted to the legal profession of the host jurisdiction.

3. Paragraph 4 applies to the supply of designated legal services pursuant to paragraph 1 through establishment.

4. A Party shall allow a legal person of the other Party to establish a branch in its territory through which designated legal services (1) are supplied pursuant to paragraph 1, in accordance with and subject to the conditions set out in Chapter 2 of this Title. This shall be without prejudice to requirements that a certain percentage of the shareholders, owners, partners, or directors of a legal person be qualified or practice a certain profession such as lawyers or accountants.

(1) For greater certainty, for the purposes of this paragraph "designated legal services" means, for services supplied in the Union, legal services in relation to the law of the United Kingdom or any part of it and public international law (excluding Union law), and for services supplied in the United Kingdom, legal services in relation to the law of the Member States (including Union law) and public international law (excluding Union law).

## Article 195. Non-conforming Measures

1. Article 194 does not apply to:

(a) any existing non-conforming measure of a Party at the level of:

(i) For the Union

(A) the Union, as set out in the Schedule of the Union in Annex 19;

(B) the central government of a Member State, as set out in the Schedule of the Union in Annex 19;

(C) a regional government of a Member State, as set out in the Schedule of the Union in Annex 19; or

(D) a local government, other than that referred to in point (C); and

(ii) for the United Kingdom:

(A) the central government, as set out in the Schedule of the United Kingdom in Annex 19;

(B) a regional government, as set out in the Schedule of the United Kingdom in Annex 19; or

(C) a local government;

(b) the continuation or prompt renewal of any non-conforming measure referred to in point (a) of this paragraph; or

(c) a modification to any non-conforming measure referred to in points (a) and (b) of this paragraph to the extent that it does not decrease the conformity of the measure, as it existed immediately before the modification, with Article 194.

2. Article 194 does not apply to any measure of a Party which is consistent with the reservations, conditions or qualifications specified with respect to a sector, subsector or activity listed in Annex 20.

3. This Section applies without prejudice to Annex 22.

## **Title III. DIGITAL TRADE**

### **Chapter 1. GENERAL PROVISIONS**

#### **Article 196. Objective**

The objective of this Title is to facilitate digital trade, to address unjustified barriers to trade enabled by electronic means and to ensure an open, secure and trustworthy online environment for businesses and consumers.

#### **Article 197. Scope**

1. This Title applies to measures of a Party affecting trade enabled by electronic means.

2. This Title does not apply to audio-visual services.

#### **Article 198. Right to Regulate**

The Parties reaffirm the right to regulate within their territories to achieve legitimate policy objectives, such as the protection of public health, social services, public education, safety, the environment including climate change, public morals, social or consumer protection, privacy and data protection, or the promotion and protection of cultural diversity.

#### **Article 199. Exceptions**

For greater certainty, nothing in this Title prevents the Parties from adopting or maintaining measures in accordance with Articles 184, 412 and 415 for the public interest reasons set out therein.

#### **Article 200. Definitions**

1. The definitions in Article 124 apply to this Title.

2. For the purposes of this Title, the following definitions apply:

(a) "consumer" means any natural person using a public telecommunications service for other than professional purposes;

(b) "direct marketing communication" means any form of commercial advertising by which a natural or legal person communicates marketing messages directly to a user via a public telecommunications service and covers at least electronic mail and text and multimedia messages (SMS and MMS);

(c) "electronic authentication" means an electronic process that enables the confirmation of:

(i) the electronic identification of a natural or legal person, or

(ii) the origin and integrity of data in electronic form;

(d) "electronic registered delivery service" means a service that makes it possible to transmit data between third parties by electronic means and provides evidence relating to the handling of the transmitted data, including proof of sending and receiving the data, and that protects transmitted data against the risk of loss, theft, damage or any unauthorised alterations;

(e) "electronic seal" means data in electronic form used by a legal person which is attached to or logically associated with

other data in electronic form to ensure the latter's origin and integrity;

(f) "electronic signature" means data in electronic form which is attached to or logically associated with other data in electronic form that:

(i) is used by a natural person to agree on the data in electronic form to which it relates; and

(ii) is linked to the data in electronic form to which it relates in such a way that an subsequent alteration in the data is detectable;

(g) "electronic time stamp" means data in electronic form which binds other data in electronic form to a particular time establishing evidence that the latter data existed at that time;

(h) "electronic trust service" means an electronic service consisting of:

(i) the creation, verification and validation of electronic signatures, electronic seals, electronic time stamps, electronic registered delivery services and certificates related to those services;

(ii) the creation, verification and validation of certificates for website authentication; or

(iii) the preservation of electronic signatures, seals or certificates related to those services;

(i) "government data" means data owned or held by any level of government and by nongovernmental bodies in the exercise of powers conferred on them by any level of government;

(j) "public telecommunications service" means any telecommunications service that is offered to the public generally;

(k) "user" means any natural or legal person using a public telecommunications service

## **Chapter 2. DATA FLOWS AND PERSONAL DATA PROTECTION**

### **Article 201. Cross-border Data Flows**

1. The Parties are committed to ensuring cross-border data flows to facilitate trade in the digital economy. To that end, cross-border data flows shall not be restricted between the Parties by a Party:

(a) requiring the use of computing facilities or network elements in the Party's territory for processing, including by imposing the use of computing facilities or network elements that are certified or approved in the territory of a Party;

(b) requiring the localisation of data in the Party's territory for storage or processing;

(c) prohibiting the storage or processing in the territory of the other Party; or

(d) making the cross-border transfer of data contingent upon use of computing facilities or network elements in the Parties' territory or upon localisation requirements in the Parties' territory.

2. The Parties shall keep the implementation of this provision under review and assess its functioning within three years of the date of entry into force of this Agreement. A Party may at any time propose to the other Party to review the list of restrictions listed in paragraph 1. Such a request shall be accorded sympathetic consideration.

### **Article 202. Protection of Personal Data and Privacy**

1. Each Party recognises that individuals have a right to the protection of personal data and privacy and that high standards in this regard contribute to trust in the digital economy and to the development of trade.

2. Nothing in this Agreement shall prevent a Party from adopting or maintaining measures on the protection of personal data and privacy, including with respect to cross-border data transfers, provided that the law of the Party provides for instruments enabling transfers under conditions of general application (1) for the protection of the data transferred.

3. Each Party shall inform the other Party about any measure referred to in paragraph 2 that it adopts or maintains.

(1) For greater certainty, "conditions of general application" refer to conditions formulated in objective terms that apply horizontally to an unidentified number of economic operators and thus cover a range of situations and cases,

## **Chapter 3. SPECIFIC PROVISIONS**

### **Article 203. Customs Duties on Electronic Transmissions**

1. Electronic transmissions shall be considered as the supply of a service within the meaning of Title II of this Heading.
2. The Parties shall not impose customs duties on electronic transmissions.

### **Article 204. No Prior Authorisation**

1. A Party shall not require prior authorisation of the provision of a service by electronic means solely on the ground that the service is provided online, and shall not adopt or maintain any other requirement having an equivalent effect.

A service is provided online when it is provided by electronic means and without the parties being simultaneously present.

2. Paragraph 1 does not apply to telecommunications services, broadcasting services, gambling services, legal representation services or to the services of notaries or equivalent professions to the extent that they involve a direct and specific connection with the exercise of public authority.

### **Article 205. Conclusion of Contracts by Electronic Means**

1. Each Party shall ensure that contracts may be concluded by electronic means and that its law neither creates obstacles for the use of electronic contracts nor results in contracts being deprived of legal effect and validity solely on the ground that the contract has been made by electronic means.

2. Paragraph 1 does not apply to the following:

(a) broadcasting services;

(b) gambling services;

(c) legal representation services;

(d) the services of notaries or equivalent professions involving a direct and specific connection with the exercise of public authority;

(e) contracts that require witnessing in person;

(f) contracts that establish or transfer rights in real estate;

(g) contracts requiring by law the involvement of courts, public authorities or professions exercising public authority;

(h) contracts of suretyship granted, collateral securities furnished by persons acting for purposes outside their trade, business or profession; or

G) contracts governed by family law or by the law of succession.

### **Article 206. Electronic Authentication and Electronic Trust Services**

1. A Party shall not deny the legal effect and admissibility as evidence in legal proceedings of an electronic document, an electronic signature, an electronic seal or an electronic time stamp, or of data sent and received using an electronic registered delivery service, solely on the ground that it is in electronic form.

2. A Party shall not adopt or maintain measures that would:

(a) prohibit parties to an electronic transaction from mutually determining the appropriate electronic authentication methods for their transaction; or

(b) prevent parties to an electronic transaction from being able to prove to judicial and administrative authorities that the use of electronic authentication or an electronic trust service in that transaction complies with the applicable legal requirements.

3. Notwithstanding paragraph 2, a Party may require that for a particular category of transactions, the method of electronic



authentication or trust service is certified by an authority accredited in accordance with its law or meets certain performance standards which shall be objective, transparent and non-discriminatory and only relate to the specific characteristics of the category of transactions concerned.

## **Article 207. Transfer of or Access to Source Code**

1. A Party shall not require the transfer of, or access to, the source code of software owned by a natural or legal person of the other Party.

2. For greater certainty:

(a) the general exceptions, security exceptions and prudential carve-out referred to in Article 199 apply to measures of a Party adopted or maintained in the context of a certification procedure; and

(b) paragraph 1 of this Article does not apply to the voluntary transfer of, or granting of access to, source code on a commercial basis by a natural or legal person of the other Party, such as in the context of a public procurement transaction or a freely negotiated contract.

3. Nothing in this Article shall affect:

(a) a requirement by a court or administrative tribunal, or a requirement by a competition authority pursuant to a Party's competition law to prevent or remedy a restriction or a distortion of competition;

(b) a requirement by a regulatory body pursuant to a Party's laws or regulations related to the protection of public safety with regard to users online, subject to safeguards against unauthorised disclosure;

(c) the protection and enforcement of intellectual property rights; and

(d) the right of a Party to take measures in accordance with Article III of the GPA as incorporated by Article 277 of this Agreement.

## **Article 208. Online Consumer Trust**

1. Recognising the importance of enhancing consumer trust in digital trade, each Party shall adopt or maintain measures to ensure the effective protection of consumers engaging in electronic commerce transactions, including but not limited to measures that:

(a) proscribe fraudulent and deceptive commercial practices;

(b) require suppliers of goods and services to act in good faith and abide by fair commercial practices, including through the prohibition of charging consumers for unsolicited goods and services;

(c) require suppliers of goods or services to provide consumers with clear and thorough information, including when they act through intermediary service suppliers, regarding their identity and contact details, the transaction concerned, including the main characteristics of the goods or services and the full price inclusive of all applicable charges, and the applicable consumer rights (in the case of intermediary service suppliers, this includes enabling the provision of such information by the supplier of goods or services); and

(d) grant consumers access to redress for breaches of their rights, including a right to remedies if goods or services are paid for and are not delivered or provided as agreed.

2. The Parties recognise the importance of entrusting their consumer protection agencies or other relevant bodies with adequate enforcement powers and the importance of cooperation between these agencies in order to protect consumers and enhance online consumer trust.

## **Article 209. Unsolicited Direct Marketing Communications**

1. Each Party shall ensure that users are effectively protected against unsolicited direct marketing communications,

2. Each Party shall ensure that direct marketing communications are not sent to users who are natural persons unless they have given their consent in accordance with each Party's laws to receiving such communications.

3. Notwithstanding paragraph 2, a Party shall allow natural or legal persons who have collected, in accordance with conditions laid down in the law of that Party, the contact details of a user in the context of the supply of goods or services, to

send direct marketing communications to that user for their own similar goods or services.

4. Each Party shall ensure that direct marketing communications are clearly identifiable as such, clearly disclose on whose behalf they are made and contain the necessary information to enable users to request cessation free of charge and at any moment.

5. Each Party shall provide users with access to redress against suppliers of direct marketing communications that do not comply with the measures adopted or maintained pursuant to paragraphs 1 to 4.

## **Article 210. Open Government Data**

1. The Parties recognise that facilitating public access to, and use of, government data contributes to stimulating economic and social development, competitiveness, productivity and innovation.

2. To the extent that a Party chooses to make government data accessible to the public, it shall endeavour to ensure, to the extent practicable, that the data:

(a) is in a format that allows it to be easily searched, retrieved, used, reused, and redistributed;

(b) is in a machine-readable and spatially-enabled format;

(c) contains descriptive metadata, which is as standard as possible;

(d) is made available via reliable, user-friendly and freely available Application Programming Interfaces;

(e) is regularly updated;

(f) is not subject to use conditions that are discriminatory or that unnecessarily restrict re-use; and

(g) is made available for re-use in full compliance with the Parties' respective personal data protection rules.

3. The Parties shall endeavour to cooperate to identify ways in which each Party can expand access to, and use of, government data that the Party has made public, with a view to enhancing and generating business opportunities, beyond its use by the public sector.

## **Article 211. Cooperation on Regulatory Issues with Regard to Digital Trade**

1. The Parties shall exchange information on regulatory matters in the context of digital trade, which shall address the following:

(a) the recognition and facilitation of interoperable electronic authentication and electronic trust services;

(b) the treatment of direct marketing communications;

(c) the protection of consumers; and

(d) any other matter relevant for the development of digital trade, including emerging technologies.

2. Paragraph 1 shall not apply to a Party's rules and safeguards for the protection of personal data and privacy, including on cross-border transfers of personal data.

## **Article 212. Understanding on Computer Services**

1. The Parties agree that, for the purpose of liberalising trade in services and investment in accordance with Title II of this Heading, the following services shall be considered as computer and related services, regardless of whether they are delivered via a network, including the internet:

(a) consulting, adaptation, strategy, analysis, planning, specification, design, development, installation, implementation, integration, testing, debugging, updating, support, technical assistance or management of or for computers or computer systems;

(b) computer programmes defined as the sets of instructions required to make computers work and communicate (in and of themselves), as well as consulting, strategy, analysis, planning, specification, design, development, installation, implementation, integration, testing, debugging, updating, adaptation, maintenance, support, technical assistance,

management or use of or for computer programmes;

(c) data processing, data storage, data hosting or database services;

(d) maintenance and repair services for office machinery and equipment, including computers; and

(e) training services for staff of clients, related to computer programmes, computers or computer systems, and not elsewhere classified.

2. For greater certainty, services enabled by computer and related services, other than those listed in paragraph 1, shall not be regarded as computer and related services in themselves.

## **Title IV. CAPITAL MOVEMENTS, PAYMENTS, TRANSFERS AND TEMPORARY SAFEGUARD MEASURES**

### **Article 213. Objectives**

The objective of this Title is to enable the free movement of capital and payments related to transactions liberalised under this Agreement.

### **Article 214. Current Account**

Each Party shall allow, in freely convertible currency and in accordance with the Articles of Agreement of the International Monetary Fund, any payments and transfers with respect to transactions on the current account of the balance of payments that fall within the scope of this Agreement.

### **Article 215. Capital Movements**

1. Each Party shall allow, with regard to transactions on the capital and financial account of the balance of payments, the free movement of capital for the purpose of liberalisation of investment and other transactions as provided for in Title II of this Heading.

2. The Parties shall consult each other in the Trade Specialised Committee on Services, Investment and Digital Trade to facilitate the movement of capital between them in order to promote trade and investment.

### **Article 216. Measures Affecting Capital Movements, Payments or Transfers**

1. Articles 214 and 215 shall not be construed as preventing a Party from applying its laws and regulations relating to:

(a) bankruptcy, insolvency, or the protection of the rights of creditors;

(b) issuing, trading or dealing in securities, or futures, options and other financial instruments;

(c) financial reporting or record keeping of capital movements, payments or transfers where necessary to assist law enforcement or financial regulatory authorities;

(d) criminal or penal offences, deceptive or fraudulent practices;

(e) ensuring compliance with orders or judgments in judicial or administrative proceedings; or

(f) social security, public retirement or compulsory savings schemes.

2. The laws and regulations referred to in paragraph 1 shall not be applied in an arbitrary or discriminatory manner, or otherwise constitute a disguised restriction on capital movements, payments or transfers.

### **Article 217. Temporary Safeguard Measures**

1. In exceptional circumstances of serious difficulties for the operation of the Union's economic and monetary union, or threat thereof, the Union may adopt or maintain safeguard measures with regard to capital movements, payments or transfers for a period not exceeding six months.

2. The measures referred to in paragraph 1 shall be limited to the extent that is strictly necessary.

## **Article 218. Restrictions In Case of Balance of Payments and External Financial Difficulties**

1. If a Party experiences serious balance of payments or external financial difficulties, or threat thereof, it may adopt or maintain restrictive measures with regard to capital movements, payments or transfers. (1)

(1) For greater certainty, serious balance of payments or external financial difficulties, or threat thereof, may be caused among other factors by serious difficulties related to monetary or exchange rate policies, or threat thereof.

2. The measures referred to in paragraph 1 shall:

- (a) be consistent with the Articles of Agreement of the International Monetary Fund;
- (b) not exceed those necessary to deal with the circumstances described in paragraph 1;
- (c) be temporary and be phased out progressively as the situation specified in paragraph 1 improves;
- (d) avoid unnecessary damage to the commercial, economic and financial interests of the other Party; and
- (e) be non-discriminatory as compared with third countries in like situations.

3. In the case of trade in goods, each Party may adopt or maintain restrictive measures in order to safeguard its external financial position or balance of payments. Those measures shall be in accordance with GATT 1994 and the Understanding on the Balance of Payments provisions of the General Agreement on Tariffs and Trade 1994.

4. In the case of trade in services, each Party may adopt or maintain restrictive measures in order to safeguard its external financial position or balance of payments. Those measures shall be in accordance with Article XII of GATS.

5. A Party maintaining or having adopted measures referred to in paragraphs 1 and 2 shall promptly notify them to the other Party.

6. If a Party adopts or maintains restrictions under this Article, the Parties shall promptly hold consultations in the Trade Specialised Committee on Services, Investment and Digital Trade unless consultations are held in other fora. That Committee shall assess the balance of payments or external financial difficulties that led to the respective measures, taking into account factors such as:

- (a) the nature and extent of the difficulties;
- (b) the external economic and trading environment; and
- (c) alternative corrective measures which may be available.

7. The consultations under paragraph 6 shall address the compliance of any restrictive measures with paragraphs 1 and 2. All relevant findings of a statistical or factual nature presented by the International Monetary Fund, where available, shall be accepted and conclusions shall take into account the assessment by the International Monetary Fund of the balance of payments and the external financial situation of the Party concerned.

## **Title V. INTELLECTUAL PROPERTY**

### **Chapter 1. GENERAL PROVISIONS**

#### **Article 219. Objectives**

The objectives of this Title are to:

- (a) facilitate the production, provision and commercialisation of innovative and creative products and services between the Parties by reducing distortions and impediments to such trade, thereby contributing to a more sustainable and inclusive economy; and
- (b) ensure an adequate and effective level of protection and enforcement of intellectual property rights.

#### **Article 220. Scope**

1. This Title shall complement and further specify the rights and obligations of each Party under the TRIPS Agreement and other international treaties in the field of intellectual property to which they are parties,

2. This Title does not preclude either Party from introducing more extensive protection and enforcement of intellectual property rights than required under this Title, provided that such protection and enforcement does not contravene this Title.

## **Article 221. Definitions**

For the purposes of this Title, the following definitions apply:

(a) "Paris Convention" means the Paris Convention for the Protection of Industrial Property of 20 March 1883, as last revised at Stockholm on 14 July 1967;

(b) "Berne Convention" means the Berne Convention for the Protection of Literary and Artistic Works of 9 September 1886 revised at Paris on 24 July 1971 and amended on 28 September 1979;

(c) "Rome Convention" means the International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organisations done at Rome on 26 October 1961;

(d) "WIPO" means the World Intellectual Property Organisation;

(e) "intellectual property rights" means all categories of intellectual property that are covered by Articles 225 to 255 of this Agreement or Sections 1 to 7 of Part II of the TRIPS Agreement. The protection of intellectual property includes protection against unfair competition as referred to in Article 10bis of the Paris Convention;

(f) "national" means, in respect of the relevant intellectual property right, a person of a Party that would meet the criteria for eligibility for protection provided for in the TRIPS Agreement and multilateral agreements concluded and administered under the auspices of WIPO, to which a Party is a contracting party.

## **Article 222. International Agreements**

The Parties affirm their commitment to comply with the international agreements to which they are party:

(a) the TRIPS Agreement;

(b) the Rome Convention;

(c) the Berne Convention;

(d) the WIPO Copyright Treaty, adopted at Geneva on 20 December 1996;

(e) the WIPO Performances and Phonograms Treaty, adopted at Geneva on 20 December 1996;

(f) the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks, adopted at Madrid on 27 June 1989, as last amended on 12 November 2007;

(g) the Trademark Law Treaty, adopted at Geneva on 27 October 1994;

(h) the Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired or Otherwise Print Disabled, adopted at Marrakesh on 27 June 2013;

(i) the Geneva Act of the Hague Agreement Concerning the International Registration of Industrial Designs, adopted at Geneva on 2 July 1999.

2. Each Party shall make all reasonable efforts to ratify or accede to the following international agreements:

(a) the Beijing Treaty on Audiovisual Performances, adopted at Beijing on 24 June 2012;

(b) the Singapore Treaty on the Law of Trademarks adopted at Singapore on 27 March 2006,

## **Article 223. Exhaustion**

This Title does not affect the freedom of the parties to determine whether and under what conditions the exhaustion of intellectual property rights applies.

## **Article 224. National Treatment**

1. In respect of all categories of intellectual property covered by this Title, each Party shall accord to the nationals of the other Party treatment no less favourable than the treatment it accords to its own nationals with regard to the protection of intellectual property subject where applicable to the exceptions already provided for in, respectively, the Paris Convention, the Berne Convention, the Rome Convention and the Treaty on Intellectual Property in Respect of Integrated Circuits, done at Washington on 26 May 1989. In respect of performers, producers of phonograms and broadcasting organisations, this obligation only applies in respect of the rights provided for under this Agreement.

2. For the purposes of paragraph 1 of this Article, "protection" shall include matters affecting the availability, acquisition, scope, maintenance, and enforcement of intellectual property rights as well as matters affecting the use of intellectual property rights specifically addressed in this Title, including measures to prevent the circumvention of effective technological measures as referred to in Article 234 and measures concerning rights management information as referred to in Article 235.

3. A Party may avail itself of the exceptions permitted pursuant to paragraph 1 in relation to its judicial and administrative procedures, including requiring a national of the other Party to designate an address for service in its territory, or to appoint an agent in its territory, if such exceptions are:

(a) necessary to secure compliance with the Party's laws or regulations which are not inconsistent with this Title; or

(b) not applied in a manner which would constitute a disguised restriction on trade.

4. Paragraph 1 does not apply to procedures provided in multilateral agreements concluded under the auspices of WIPO relating to the acquisition or maintenance of intellectual property rights.

## **Chapter 2. STANDARDS CONCERNING INTELLECTUAL PROPERTY RIGHTS**

### **Section 1. COPYRIGHT AND RELATED RIGHTS**

#### **Article 225. Authors**

Each Party shall provide authors with the exclusive right to authorise or prohibit:

(a) direct or indirect, temporary or permanent reproduction by any means and in any form, in whole or in part, of their works;

(b) any form of distribution to the public by sale or otherwise of the original of their works or of copies thereof;

(c) any communication to the public of their works by wire or wireless means, including the making available to the public of their works in such a way that members of the public may access them from a place and at a time individually chosen by them;

(d) the commercial rental to the public of originals or copies of their works; each Party may provide that this point does not apply to buildings or works of applied art.

#### **Article 226. Performers**

Each Party shall provide performers with the exclusive right to authorise or prohibit:

(a) the fixation of their performances;

(b) the direct or indirect, temporary or permanent reproduction by any means and in any form, in whole or in part, of fixations of their performances;

(c) the distribution to the public, by sale or otherwise, of the fixations of their performances;

(d) the making available to the public of fixations of their performances, by wire or wireless means, in such a way that members of the public may access them from a place and at a time individually chosen by them;

(e) the broadcasting by wireless means and the communication to the public of their performances, except where the

performance is itself already a broadcast performance or is made from a fixation;

(f) the commercial rental to the public of the fixation of their performances.

## **Article 227. Producers of Phonograms**

Each Party shall provide phonogram producers with the exclusive right to authorise or prohibit:

(a) the direct or indirect, temporary or permanent, reproduction by any means and in any form, in whole or in part, of their phonograms;

(b) the distribution to the public, by sale or otherwise, of their phonograms, including copies thereof;

(c) the making available to the public of their phonograms, by wire or wireless means, in such a way that members of the public may access them from a place and at a time individually chosen by them;

(d) the commercial rental of their phonograms to the public.

## **Article 228. Broadcasting Organisations**

Each Party shall provide broadcasting organisations with the exclusive right to authorise or prohibit:

(a) the fixation of their broadcasts, whether these broadcasts are transmitted by wire or over the air, including by cable or satellite;

(b) the direct or indirect, temporary or permanent reproduction by any means and in any form, in whole or in part, of fixations of their broadcasts, whether those broadcasts are transmitted by wire or over the air, including by cable or satellite;

(c) the making available to the public, by wire or wireless means, of fixations of their broadcasts, whether those broadcasts are transmitted by wire or over the air, including by cable or satellite, in such a way that members of the public may access them from a place and at a time individually chosen by them;

(d) the distribution to the public, by sale or otherwise, of fixations, including copies thereof, of their broadcasts, whether these broadcasts are transmitted by wire or over the air, including by cable or satellite;

(e) the rebroadcasting of their broadcasts by wireless means, as well as the communication to the public of their broadcasts if such communication is made in places accessible to the public against payment of an entrance fee.

## **Article 229. Broadcasting and Communication to the Public of Phonograms Published for Commercial Purposes**

1. Each Party shall provide a right in order to ensure that a single equitable remuneration is paid by the user to the performers and producers of phonograms, if a phonogram published for commercial purposes, or a reproduction of such phonogram, is used for broadcasting or any communication to the public.

2. Each Party shall ensure that the single equitable remuneration is shared between the relevant performers and phonogram producers. Each Party may enact legislation that, in the absence of an agreement between performers and producers of phonograms, sets the terms according to which performers and producers of phonograms shall share the single equitable remuneration.

3. Each Party may grant more extensive rights, as regards the broadcasting and communication to the public of phonograms published for commercial purposes, to performers and producers of phonograms.

## **Article 230. Term of Protection**

1. The rights of an author of a work shall run for the life of the author and for 70 years after the author's death, irrespective of the date when the work is lawfully made available to the public.

2. For the purpose of implementing paragraph 1, each Party may provide for specific rules on the calculation of the term of protection of musical composition with words, works of joint authorship as well as cinematographic or audiovisual works. Each Party may provide for specific rules on the calculation of the term of protection of anonymous or pseudonymous works.

3. The rights of broadcasting organisations shall expire 50 years after the first transmission of a broadcast, whether this broadcast is transmitted by wire or over the air, including by cable or satellite.
4. The rights of performers for their performances otherwise than in phonograms shall expire 50 years after the date of the fixation of the performance or, if lawfully published or lawfully communicated to the public during this time, 50 years from the first such publication or communication to the public, whichever is the earlier.
5. The rights of performers for their performances fixed in phonograms shall expire 50 years after the date of fixation of the performance or, if lawfully published or lawfully communicated to the public during this time, 70 years from such act, whichever is the earlier.
6. The rights of producers of phonograms shall expire 50 years after the fixation is made or, if lawfully published to the public during this time, 70 years from such publication, In the absence of a lawful publication, if the phonogram has been lawfully communicated to the public during this time, the term of protection shall be 70 years from such act of communication. Each Party may provide for effective measures in order to ensure that the profit generated during the 20 years of protection beyond 50 years is shared fairly between the performers and the producers of phonograms.
7. The terms laid down in this Article shall be counted from the first of January of the year following the year of the event which gives rise to them.
8. Each Party may provide for longer terms of protection than those provided for in this Article.

### **Article 231. Resale Right**

1. Each Party shall provide, for the benefit of the author of an original work of graphic or plastic art, a resale right, to be defined as an inalienable right, which cannot be waived, even in advance, to receive a royalty based on the sale price obtained for any resale of the work, subsequent to the first transfer of the work by the author.
2. The right referred to in paragraph 1 shall apply to all acts of resale involving as sellers, buyers or intermediaries art market professionals, such as salesrooms, art galleries and, in general, any dealers in works of art.
3. Each Party may provide that the right referred to in paragraph 1 shall not apply to acts of resale, where the seller has acquired the work directly from the author less than three years before that resale and where the resale price does not exceed a certain minimum amount.
4. The procedure for collection of the remuneration and their amounts shall be determined by the law of each Party.

### **Article 232. Collective Management of Rights**

1. The Parties shall promote cooperation between their respective collective management organisations for the purpose of fostering the availability of works and other protected subject matter in their respective territories and the transfer of rights revenue between the respective collective management organisations for the use of such works or other protected subject matter.
2. The Parties shall promote the transparency of collective management organisations, in particular regarding the rights revenue they collect, the deductions they apply to the rights revenue they collect, the use of the rights revenue collected, the distribution policy and their repertoire.
3. The Parties shall endeavour to facilitate arrangements between their respective collective management organisations on non-discriminatory treatment of right holders whose rights these organisations manage under representation agreements.
4. The Parties shall cooperate to support the collective management organisations established in their territory and representing another collective management organisation established in the territory of the other Party by way of a representation agreement with a view to ensuring that they accurately, regularly and diligently pay amounts owed to the represented collective management organisations and provide the represented collective management organisation with the information on the amount of rights revenue collected on its behalf and any deductions made to that rights revenue.

### **Article 233. Exceptions and Limitations**

Each Party shall confine limitations or exceptions to the rights set out in Articles 225 to 229 to certain special cases which do not conflict with a normal exploitation of the work or other subject-matter and do not unreasonably prejudice the legitimate interests of the right holders.



## **Article 234. Protection of Technological Measures**

1. Each Party shall provide adequate legal protection against the circumvention of any effective technological measures, which the person concerned carries out in the knowledge, or with reasonable grounds to know, that he or she is pursuing that objective. Each Party may provide for a specific regime for legal protection of technological measures used to protect computer programs.

2. Each Party shall provide adequate legal protection against the manufacture, import, distribution, sale, rental, advertisement for sale or rental, or possession for commercial purposes of devices, products or components or the provision of services which:

(a) are promoted, advertised or marketed for the purpose of circumvention of;

(b) have only a limited commercially significant purpose or use other than to circumvent; or

(c) are primarily designed, produced, adapted or performed for the purpose of enabling or facilitating the circumvention of, any effective technological measures.

3. For the purposes of this Section, the expression "technological measures" means any technology, device or component that, in the normal course of its operation, is designed to prevent or restrict acts, in respect of works or other subject-matter, which are not authorised by the right holder of any copyright or related right covered by this Section. Technological measures shall be deemed "effective" where the use of a protected work or other subject matter is controlled by the right holders through application of an access control or protection process, such as encryption, scrambling or other transformation of the work or other subject-matter or a copy control mechanism, which achieves the protection objective.

4. Notwithstanding the legal protection provided for in paragraph 1 of this Article, each Party may take appropriate measures, as necessary, to ensure that the adequate legal protection against the circumvention of effective technological measures provided for in accordance with this Article does not prevent beneficiaries of exceptions or limitations provided for in accordance with Article 233 from enjoying such exceptions or limitations.

## **Article 235. Obligations Concerning Rights Management Information**

1. Each Party shall provide adequate legal protection against any person knowingly performing without authority any of the following acts:

(a) the removal or alteration of any electronic rights-management information;

(b) the distribution, importation for distribution, broadcasting, communication or making available to the public of works or other subject-matter protected pursuant to this Section from which electronic rights-management information has been removed or altered without authority;

if such person knows, or has reasonable grounds to know, that by so doing he or she is inducing, enabling, facilitating or concealing an infringement of any copyright or any related rights as provided by the law of a Party.

2. For the purposes of this Article, "rights-management information" means any information provided by right holders which identifies the work or other subject-matter referred to in this Article, the author or any other right holder, or information about the terms and conditions of use of the work or other subject-matter, and any numbers or codes that represent such information.

3. Paragraph 2 applies if any of these items of information is associated with a copy of, or appears in connection with the communication to the public of, a work or other subject-matter referred to in this Article.

## **Section 2. TRADE MARKS**

### **Article 236. Trade Mark Classification**

Each Party shall maintain a trade mark classification system that is consistent with the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as amended and revised.

### **Article 237. Signs of Which a Trade Mark May Consist**

A trade mark may consist of any signs, in particular words, including personal names, or designs, letters, numerals, colours, the shape of goods or of the packaging of goods, or sounds, provided that such signs are capable of:

- (a) distinguishing the goods or services of one undertaking from those of other undertakings; and
- (b) being represented on the respective trade mark register of each Party, in a manner which enables the competent authorities and the public to determine the clear and precise subject matter of the protection afforded to its proprietor.

### **Article 238. Rights Conferred by a Trade Mark**

1. Each Party shall provide that the registration of a trade mark confers on the proprietor exclusive rights therein. The proprietor shall be entitled to prevent all third parties not having the proprietor's consent from using in the course of trade:

- (a) any sign which is identical with the registered trade mark in relation to goods or services which are identical with those for which the trade mark is registered;
- (b) any sign where, because of its identity with, or similarity to, the registered trade mark and the identity or similarity of the goods or services covered by this trade mark and the sign, there exists a likelihood of confusion on the part of the public, including the likelihood of association between the sign and the registered trade mark.

2. The proprietor of a registered trade mark shall be entitled to prevent all third parties from bringing goods, in the course of trade, into the Party where the trade mark is registered without being released for free circulation there, where such goods, including packaging, come from other countries or the other Party and bear without authorisation a trade mark which is identical to the trade mark registered in respect of such goods, or which cannot be distinguished in its essential aspects from that trade mark.

3. The entitlement of the proprietor of a trade mark pursuant to paragraph 2 shall lapse if during the proceedings to determine whether the registered trade mark has been infringed, evidence is provided by the declarant or the holder of the goods that the proprietor of the registered trade mark is not entitled to prohibit the placing of the goods on the market in the country of final destination.

### **Article 239. Registration Procedure**

1. Each Party shall provide for a system for the registration of trade marks in which each final negative decision taken by the relevant trade mark administration, including partial refusals of registration, shall be communicated in writing to the relevant party, duly reasoned and subject to appeal.
2. Each Party shall provide for the possibility for third parties to oppose trade mark applications or, where appropriate, trade mark registrations. Such opposition proceedings shall be adversarial.
3. Each Party shall provide a publicly available electronic database of trade mark applications and trade mark registrations,
4. Each Party shall make best efforts to provide a system for the electronic application for and processing, registration and maintenance of trade marks.

### **Article 240. Well-known Trade Marks**

For the purpose of giving effect to protection of well-known trade marks, as referred to in Article 6bis of the Paris Convention and Article 16(2) and (3) of the TRIPS Agreement, each Party shall apply the Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks, adopted by the Assembly of the Paris Union for the Protection of Industrial Property and the General Assembly of the WIPO at the Thirty-Fourth Series of Meetings of the Assemblies of the Member States of WIPO on 20 to 29 September 1999.

### **Article 241. Exceptions to the Rights Conferred by a Trade Mark**

1. Each Party shall provide for limited exceptions to the rights conferred by a trade mark such as the fair use of descriptive terms including geographical indications, and may provide other limited exceptions, provided such exceptions take account of the legitimate interests of the proprietor of the trade mark and of third parties.
2. The trade mark shall not entitle the proprietor to prohibit a third party from using, in the course of trade:
  - (a) the name or address of the third party, where the third party is a natural person;

(b) signs or indications concerning the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of the service, or other characteristics of goods or services; or

(c) the trade mark for the purpose of identifying or referring to goods or services as those of the proprietor of that trade mark, in particular where the use of that trade mark is necessary to indicate the intended purpose of a product or service, in particular as accessories or spare parts, provided the third party uses them in accordance with honest practices in industrial or commercial matters.

3. The trade mark shall not entitle the proprietor to prohibit a third party from using, in the course of trade, an earlier right which only applies in a particular locality if that right is recognised by the laws of the Party in question and is used within the limits of the territory in which it is recognised.

## **Article 242. Grounds for Revocation**

1. Each Party shall provide that a trade mark shall be liable to revocation if, within a continuous period of five years it has not been put to genuine use in the relevant territory of a Party by the proprietor or with the proprietor's consent in relation to the goods or services for which it is registered, and there are no proper reasons for non-use.

2. Each Party shall also provide that a trade mark shall be liable to revocation if within the period of five years following the date of completion of the registration procedure it has not been put to genuine use in the relevant territory by the proprietor or with the proprietor's consent, in relation to the goods or services for which it is registered, and there are no proper reasons for non-use.

3. However, no person may claim that the proprietor's rights in a trade mark should be revoked where, during the interval between expiry of the five-year period and filing of the application for revocation, genuine use of the trade mark has been started or resumed. The commencement or resumption of use within a period of three months preceding the filing of the application for revocation which began at the earliest on expiry of the continuous period of five years of non-use, shall, however, be disregarded where preparations for the commencement or resumption occur only after the proprietor becomes aware that the application for revocation may be filed.

4. A trade mark shall also be liable to revocation if, after the date on which it was registered:

(a) as a consequence of acts or inactivity of the proprietor, it has become the common name in the trade for a good or service in respect of which it is registered;

(b) as a consequence of the use made of the trade mark by the proprietor of the trade mark or with the proprietor's consent in respect of the goods or services for which it is registered, it is liable to mislead the public, particularly as to the nature, quality or geographical origin of those goods or services.

## **Article 243. The Right to Prohibit Preparatory Acts In Relation to the Use of Packaging or other Means**

Where the risk exists that the packaging, labels, tags, security or authenticity features or devices, or any other means to which the trade mark is affixed could be used in relation to goods or services and that use would constitute an infringement of the rights of the proprietor of the trade mark, the proprietor of that trade mark shall have the right to prohibit the following acts if carried out in the course of trade:

(a) affixing a sign identical with, or similar to, the trade mark on packaging, labels, tags, security or authenticity features or devices, or any other means to which the mark may be affixed; or

(b) offering or placing on the market, or stocking for those purposes, or importing or exporting, packaging, labels, tags, security or authenticity features or devices, or any other means to which the mark is affixed.

## **Article 244. Bad Faith Applications**

A trade mark shall be liable to be declared invalid where the application for registration of the trade mark was made in bad faith by the applicant. Each Party may provide that such a trade mark shall not be registered.

## **Section 3. DESIGN**

### **Article 245. Protection of Registered Designs**

1. Each Party shall provide for the protection of independently created designs that are new and original. This protection shall be provided by registration and shall confer exclusive rights upon their holders in accordance with this Section.

For the purposes of this Article, a Party may consider that a design having individual character is original.

2. The holder of a registered design shall have the right to prevent third parties not having the holder's consent at least from making, offering for sale, selling, importing, exporting, stocking the product bearing and embodying the protected design or using articles bearing or embodying the protected design where such acts are undertaken for commercial purposes.

3. A design applied to or incorporated in a product which constitutes a component part of a complex product shall only be considered to be new and original:

(a) if the component part, once it has been incorporated into the complex product, remains visible during normal use of the latter; and

(b) to the extent that those visible features of the component part fulfil in themselves the requirements as to novelty and originality.

4. For the purposes of point (a) of paragraph 3, "normal use" means use by the end user, excluding maintenance, servicing or repair work.

## **Article 246. Duration of Protection**

The duration of protection available for registered designs, including renewals of registered designs, shall amount to a total term of 25 years from the date on which the application was filed (1).

(1) Each Party may determine the relevant date of filing of the application in accordance with its own legislation.

## **Article 247. Protection of Unregistered Designs**

1. Each Party shall confer on holders of an unregistered design the right to prevent the use of the unregistered design by any third party not having the holder's consent only if the contested use results from copying the unregistered design in their respective territory (1). Such use shall at least cover the offering for sale, putting on the market, importing or exporting the product.

2. The duration of protection available for the unregistered design shall amount to at least three years as from the date on which the design was first made available to the public in the territory of the respective Party.

(1) This section does not apply to the protection known in the United Kingdom as a design right.

## **Article 248. Exceptions and Exclusions**

1. Each Party may provide limited exceptions to the protection of designs, including unregistered designs, provided that such exceptions do not unreasonably conflict with the normal exploitation of designs, and do not unreasonably prejudice the legitimate interests of the holder of the design, taking account of the legitimate interests of third parties.

2. Protection shall not extend to designs solely dictated by technical or functional considerations. A design shall not subsist in features of appearance of a product which must necessarily be reproduced in their exact form and dimensions in order to permit the product in which the design is incorporated or to which it is applied to be mechanically connected to or placed in, around or against another product so that either product may perform its function.

3. By way of derogation from paragraph 2 of this Article, a design shall, in accordance with the conditions set out in Article 245(1), subsist in a design, which has the purpose of allowing the multiple assembly or connection of mutually interchangeable products within a modular system.

## **Article 249. Relationship to Copyright**

Each Party shall ensure that designs, including unregistered designs, shall also be eligible for protection under the copyright law of that Party as from the date on which the design was created or fixed in any form. The extent to which, and the

conditions under which, such a protection is conferred, including the level of originality required, shall be determined by each Party.

## **Section 4. PATENTS**

### **Article 250. Patents and Public Health**

1. The Parties recognise the importance of the Declaration on the TRIPS Agreement and Public Health, adopted on 14 November 2001 by the Ministerial Conference of the WTO at Doha (the "Doha Declaration"). In interpreting and implementing the rights and obligations under this Section, each Party shall ensure consistency with the Doha Declaration.
2. Each Party shall implement Article 31bis of the TRIPS Agreement, as well as the Annex to the TRIPS Agreement and the Appendix to the Annex to the TRIPS Agreement.

### **Article 251. Extension of the Period of Protection Conferred by a Patent on Medicinal Products and on Plant Protection Products**

1. The Parties recognise that medicinal products and plant protection products (1) protected by a patent in their respective territory may be subject to an administrative authorisation procedure before being put on their respective markets. The Parties recognise that the period that elapses between the filing of the application for a patent and the first authorisation to place the product on the market, as defined for that purpose by the relevant legislation, may shorten the period of effective protection under the patent.
2. Each Party shall provide for further protection, in accordance with its laws and regulations, for a product which is protected by a patent and which has been subject to an administrative authorisation procedure referred to in paragraph 1 to compensate the holder of a patent for the reduction of effective patent protection. The terms and conditions for the provision of such further protection, including its length, shall be determined in accordance with the laws and regulations of the Parties.
3. For the purposes of this Title, "medicinal product" means:
  - (a) any substance or combination of substances presented as having properties for treating or preventing disease in human beings or animals; or
  - (b) any substance or combination of substances which may be used in or administered to human beings or animals either with a view to restoring, correcting or modifying physiological functions by exerting a pharmacological, immunological or metabolic action, or to making a medical diagnosis.

(1) For the purposes of this Title, the term "plant protection product" shall be defined for each Party by the respective legislations of the Parties.

## **Section 5. PROTECTION OF UNDISCLOSED INFORMATION**

### **Article 252. Protection of Trade Secrets**

1. Each Party shall provide for appropriate civil judicial procedures and remedies for any trade secret holder to prevent, and obtain redress for, the acquisition, use or disclosure of a trade secret whenever carried out in a manner contrary to honest commercial practices.
2. For the purposes of this Section, the following definitions apply:
  - (a) "trade secret" means information which meets all of the following requirements:
    - (i) it is secret in the sense that it is not, as a body or in the precise configuration and assembly of its components, generally known among or readily accessible to persons within the circles that normally deal with the kind of information in question;
    - (ii) it has commercial value because it is secret; and
    - (iii) it has been subject to reasonable steps under the circumstances, by the person lawfully in control of the information, to keep it secret;
  - (b) "trade secret holder" means any natural or legal person lawfully controlling a trade secret.

3. For the purposes of this Section, at least the following conduct shall be considered contrary to honest commercial practices:

(a) the acquisition of a trade secret without the consent of the trade secret holder, whenever obtained by unauthorised access to, or by appropriation or copying of, any documents, objects, materials, substances or electronic files that are lawfully under the control of the trade secret holder, and that contain the trade secret or from which the trade secret can be deduced;

(b) the use or disclosure of a trade secret whenever it is carried out, without the consent of the trade secret holder, by a person who is found to meet any of the following conditions:

(i) having acquired the trade secret in a manner referred to in point (a);

(ii) being in breach of a confidentiality agreement or any other duty not to disclose the trade secret; or

(iii) being in breach of a contractual or any other duty to limit the use of the trade secret;

(c) the acquisition, use or disclosure of a trade secret whenever carried out by a person who, at the time of the acquisition, use or disclosure, knew, or ought to have known, under the circumstances that the trade secret had been obtained directly or indirectly from another person who was using or disclosing the trade secret unlawfully within the meaning of point (b).

4. Nothing in this Section shall be understood as requiring either Party to consider any of the following conducts as contrary to honest commercial practices:

(a) independent discovery or creation;

(b) the reverse engineering of a product that has been made available to the public or that is lawfully in the possession of the acquirer of the information, where the acquirer of the information is free from any legally valid duty to limit the acquisition of the trade secret;

(c) the acquisition, use or disclosure of a trade secret required or allowed by the law of each Party;

(d) the exercise of the right of workers or workers' representatives to information and consultation in accordance with the laws and regulations of that Party.

5. Nothing in this Section shall be understood as affecting the exercise of freedom of expression and information, including the freedom and pluralism of the media, as protected in each Party, restricting the mobility of employees, or as affecting the autonomy of social partners and their right to enter into collective agreements, in accordance with the laws and regulations of the Parties.

### **Article 253. Protection of Data Submitted to Obtain an Authorisation to Put a Medicinal Product on the Market**

1. Each Party shall protect commercially confidential information submitted to obtain an authorisation to place medicinal products on the market ("marketing authorisation") against disclosure to third parties, unless steps are taken to ensure that the data are protected against unfair commercial use or except where the disclosure is necessary for an overriding public interest.

2. Each Party shall ensure that for a limited period of time to be determined by its domestic law and in accordance with any conditions set out in its domestic law, the authority responsible for the granting of a marketing authorisation does not accept any subsequent application for a marketing authorisation that relies on the results of pre-clinical tests or clinical trials submitted in the application to that authority for the first marketing authorisation, without the explicit consent of the holder of the first marketing authorisation, unless international agreements to which the Parties are both party provide otherwise.

3. Each Party shall also ensure that, for a limited period of time to be determined by its domestic law and in accordance with any conditions set out in its domestic law, a medicinal product subsequently authorised by that authority on the basis of the results of the pre-clinical tests and clinical trials referred to in paragraph 2 is not placed on the market without the explicit consent of the holder of the first marketing authorisation, unless international agreements to which the Parties are both party provide otherwise.

4. This Article is without prejudice to additional periods of protection which each Party may provide in that Party's law.

### **Article 254. Protection of Data Submitted to Obtain Marketing Authorisation for Plant Protection Products or Biocidal Products**

1. Each Party shall recognise a temporary right of the owner of a test or study report submitted for the first time to obtain a marketing authorisation concerning safety and efficacy of an active substance, plant protection product or biocidal product. During such period, the test or study report shall not be used for the benefit of any other person who seeks to obtain a marketing authorisation for an active substance, plant protection product or biocidal product, unless the explicit consent of the first owner has been proved. For the purposes of this Article, that right is referred to as data protection.

2. The test or study report submitted for marketing authorisation of an active substance or plant protection product should fulfil the following conditions:

(a) be necessary for the authorisation or for an amendment of an authorisation in order to allow the use on other crops; and

(b) be certified as compliant with the principles of good laboratory practice or of good experimental practice.

3. The period of data protection shall be at least 10 years from the grant of the first authorisation by a relevant authority in the territory of the Party.

4. Each Party shall ensure that the public bodies responsible for the granting of a marketing authorisation will not use the information referred to in paragraphs 1 and 2 for the benefit of a subsequent applicant for any successive marketing authorisation, regardless whether or not it has been made available to the public.

5. Each Party shall establish rules to avoid duplicative testing on vertebrate animals.

## **Section 6. PLANT VARIETIES**

### **Article 255. Protection of Plant Varieties Rights**

Each Party shall protect plant varieties rights in accordance with the International Convention for the Protection of New Varieties of Plants (UPOV) as lastly revised in Geneva on 19 March 1991. The Parties shall cooperate to promote and enforce these rights.

## **Chapter 3. ENFORCEMENT OF INTELLECTUAL PROPERTY RIGHTS**

### **Section 1. GENERAL PROVISIONS**

#### **Article 256. General Obligations**

1. Each Party shall provide under its respective law for the measures, procedures and remedies necessary to ensure the enforcement of intellectual property rights.

For the purposes of Sections 1, 2 and 4 of this Chapter, the term "intellectual property rights" does not include rights covered by Section 5 of Chapter 2.

2. The measures, procedures and remedies referred to in paragraph 1 shall:

(a) be fair and equitable;

(b) not be unnecessarily complicated or costly, or entail unreasonable time-limits or unwarranted delays;

(c) be effective, proportionate and dissuasive;

(d) be applied in such a manner as to avoid the creation of barriers to legitimate trade and to provide for safeguards against their abuse.

#### **Article 257. Persons Entitled to Apply for the Application of the Measures, Procedures and Remedies**

Each Party shall recognise as persons entitled to seek application of the measures, procedures and remedies referred to in Sections 2 and 4 of this Chapter:

(a) the holders of intellectual property rights in accordance with the law of a Party;

(b) all other persons authorised to use those rights, in particular licensees, in so far as permitted by and in accordance with

the law of a Party; and

(c) federations and associations (1), in so far as permitted by and in accordance with the law of a Party,

(1) For greater certainty, and in so far as permitted by the law of a Party, the term "federations and associations" includes at least collective rights management bodies and professional defence bodies which are regularly recognised as having the right to represent holders of intellectual property rights.

## **Section 2. CIVIL AND ADMINISTRATIVE ENFORCEMENT**

### **Article 258. Measures for Preserving Evidence**

1. Each Party shall ensure that, even before the commencement of proceedings on the merits of the case, the competent judicial authorities may, on application by a party who has presented reasonably available evidence to support their claims that their intellectual property right has been infringed or is about to be infringed, order prompt and effective provisional measures to preserve relevant evidence in respect of the alleged infringement, subject to appropriate safeguards and the protection of confidential information.

2. Such measures may include the detailed description, with or without the taking of samples, or the physical seizure of the alleged infringing goods, and, in appropriate cases, the materials and implements used in the production and/or distribution of these goods and the documents relating thereto.

### **Article 259. Evidence**

1. Each Party shall take the measures necessary to enable the competent judicial authorities to order, on application by a party which has presented reasonably available evidence sufficient to support its claims and has, in substantiating those claims, specified evidence which lies in the control of the opposing party, that this evidence be produced by the opposing party, subject to the protection of confidential information.

2. Each Party shall also take the necessary measures to enable the competent judicial authorities to order, where appropriate, in cases of infringement of an intellectual property right committed on a commercial scale, under the same conditions as in paragraph 1, the communication of banking, financial or commercial documents under the control of the opposing party, subject to the protection of confidential information.

### **Article 260. Right of Information**

1. Each Party shall ensure that, in the context of civil proceedings concerning an infringement of an intellectual property right and in response to a justified and proportionate request of the claimant, the competent judicial authorities may order the infringer or any other person to provide information on the origin and distribution networks of the goods or services which infringe an intellectual property right.

2. For the purposes of paragraph 1 "any other person" means a person who:

(a) was found in possession of the infringing goods on a commercial scale;

(b) was found to be using the infringing services on a commercial scale;

(c) was found to be providing on a commercial scale services used in infringing activities; or

(d) was indicated by the person referred to in point (a), (b) or (c), as being involved in the production, manufacture or distribution of the goods or the provision of the services.

3. The information referred to in paragraph 1 shall, as appropriate, comprise:

(a) the names and addresses of the producers, manufacturers, distributors, suppliers and other previous holders of the goods or services, as well as the intended wholesalers and retailers;

(b) information on the quantities produced, manufactured, delivered, received or ordered, as well as the price obtained for the goods or services in question.

4. Paragraphs 1 and 2 shall apply without prejudice to other laws of a Party which:



- (a) grant the right holder rights to receive fuller information;
- (b) govern the use in civil proceedings of the information communicated pursuant to this Article;
- (c) govern responsibility for misuse of the right of information;
- (d) afford an opportunity for refusing to provide information which would force the person referred to in paragraph 1 to admit their own participation or that of their close relatives in an infringement of an intellectual property right;
- (e) govern the protection of confidentiality of information sources or the processing of personal data.

## **Article 261. Provisional and Precautionary Measures**

1. Each Party shall ensure that its judicial authorities may, at the request of the applicant, issue against the alleged infringer an interlocutory injunction intended to prevent any imminent infringement of an intellectual property right, or to forbid, on a provisional basis and subject, where appropriate, to a recurring penalty payment where provided for by the law of that Party, the continuation of the alleged infringements of that right, or to make such continuation subject to the lodging of guarantees intended to ensure the compensation of the right holder. An interlocutory injunction may also be issued, under the same conditions, against an intermediary whose services are being used by a third party to infringe an intellectual property right.
2. Each Party shall ensure that its judicial authorities may, at the request of the applicant, order the seizure or delivery up of goods suspected of infringing an intellectual property right, so as to prevent their entry into or movement within the channels of commerce.
3. In the case of an alleged infringement committed on a commercial scale, each Party shall ensure that, if the applicant demonstrates circumstances likely to endanger the recovery of damages, the judicial authorities may order the precautionary seizure of the movable and immovable property of the alleged infringer, including the blocking of their bank accounts and other assets. To that end, the competent authorities may order the communication of bank, financial or commercial documents, or appropriate access to the relevant information.
4. Each Party shall ensure that its judicial authorities shall, in respect of the measures referred to in paragraphs 1, 2 and 3, have the authority to require the applicant to provide any reasonably available evidence in order to satisfy themselves with a sufficient degree of certainty that the applicant is the right holder and that the applicant's right is being infringed, or that such infringement is imminent.

## **Article 262. Corrective Measures**

1. Each Party shall ensure that its judicial authorities may order, at the request of the applicant, without prejudice to any damages due to the right holder by reason of the infringement, and without compensation of any sort, the destruction of goods that they have found to be infringing an intellectual property right or at least the definitive removal of those goods from the channels of commerce. If appropriate, under the same conditions, the judicial authorities may also order destruction of materials and implements predominantly used in the creation or manufacture of those goods.
2. Each Party's judicial authorities shall have the authority to order that those measures shall be carried out at the expense of the infringer, unless particular reasons are invoked for not doing so.

## **Article 263. Injunctions**

Each Party shall ensure that, where a judicial decision is taken finding an infringement of an intellectual property right, the judicial authorities may issue against the infringer an injunction aimed at prohibiting the continuation of the infringement. Each Party shall also ensure that the judicial authorities may issue an injunction against intermediaries whose services are used by a third party to infringe an intellectual property right.

## **Article 264. Alternative Measures**

Each Party may provide that the judicial authorities, in appropriate cases and at the request of the person liable to be subject to the measures provided for in Article 262 or 263, may order pecuniary compensation to be paid to the injured party instead of applying the measures provided for in these two Articles if that person acted unintentionally and without negligence, if execution of the measures in question would cause the person disproportionate harm and if pecuniary compensation to the injured party appears reasonably satisfactory.

## **Article 265. Damages**

1. Each Party shall ensure that its judicial authorities, on application of the injured party, order the infringer who knowingly engaged, or had reasonable grounds to know it was engaging, in an infringing activity, to pay to the right holder damages appropriate to the actual prejudice suffered by the right holder as a result of the infringement.

2. Each Party shall ensure that when its judicial authorities set the damages:

(a) \_ they take into account all appropriate aspects, such as the negative economic consequences, including lost profits, which the injured party has suffered, any unfair profits made by the infringer and, in appropriate cases, elements other than economic factors, such as the moral prejudice caused to the right holder by the infringement; or

(b) as an alternative to point (a), they may, in appropriate cases, set the damages as a lump sum on the basis of elements such as at least the amount of royalties or fees which would have been due if the infringer had requested authorisation to use the intellectual property right in question.

3. Where the infringer did not knowingly, or with reasonable grounds to know, engage in infringing activity, each Party may lay down that the judicial authorities may order the recovery of profits or the payment of damages which may be pre-established.

## **Article 266. Legal Costs**

Each Party shall ensure that reasonable and proportionate legal costs and other expenses incurred by the successful party shall, as a general rule, be borne by the unsuccessful party, unless equity does not allow this.

## **Article 267. Publication of Judicial Decisions**

Each Party shall ensure that, in legal proceedings instituted for infringement of an intellectual property right, the judicial authorities may order, at the request of the applicant and at the expense of the infringer, appropriate measures for the dissemination of the information concerning the decision, including displaying the decision and publishing it in full or in part.

## **Article 268. Presumption of Authorship or Ownership**

For the purposes of applying the measures, procedures and remedies provided for in Chapter 3:

(a) for the author of a literary or artistic work, in the absence of proof to the contrary, to be regarded as such, and consequently to be entitled to institute infringement proceedings, it shall be sufficient for the author's name to appear on the work in the usual manner; and

(b) point (a) applies mutatis mutandis to the holders of rights related to copyright with regard to their protected subject matter.

## **Article 269. Administrative Procedures**

To the extent that any civil remedy can be ordered on the merits of a case as a result of administrative procedures, such procedures shall conform to principles equivalent in substance to those set forth in this Section.

## **Section 3. CIVIL JUDICIAL PROCEDURES AND REMEDIES OF TRADE SECRETS**

### **Article 270. Civil Judicial Procedures and Remedies of Trade Secrets**

1. Each Party shall ensure that any person participating in the civil judicial proceedings referred to in Article 252(1), or who has access to documents which form part of those proceedings, is not permitted to use or disclose any trade secret or alleged trade secret which the competent judicial authorities have, in response to a duly reasoned application by an interested party, identified as confidential and of which they have become aware as a result of such participation or access.

2. Each Party shall ensure that the obligation referred to in paragraph 1 remains in force after the civil judicial proceedings have ended, for as long as appropriate.

3. In the civil judicial proceedings referred to Article 252(1), each Party shall provide that its judicial authorities have the authority at least to:

(a) order provisional measures, in accordance with their respective laws and regulations, to cease and prohibit the use or disclosure of the trade secret in a manner contrary to honest commercial practices;

(b) order measures, in accordance with their respective laws and regulations, ordering the cessation of, or as the case may be, the prohibition of the use or disclosure of the trade secret in a manner contrary to honest commercial practices;

(c) order, in accordance with their respective laws and regulations, any person who has acquired, used or disclosed a trade secret in a manner contrary to honest commercial practices and that knew or ought to have known that he or she or it was acquiring, using or disclosing a trade secret in a manner contrary to honest commercial practices to pay the trade secret holder damages appropriate to the actual prejudice suffered as a result of such acquisition, use or disclosure of the trade secret;

(d) take specific measures necessary to preserve the confidentiality of any trade secret or alleged trade secret used or referred to in proceedings as referred to in Article 252(1). Such specific measures may include, in accordance with each Party's respective laws and regulations, including the rights of defence, the possibility of restricting access to certain documents in whole or in part; of restricting access to hearings and their corresponding records or transcript; and of making available a non-confidential version of judicial decision in which the passages containing trade secrets have been removed or redacted.

(e) impose sanctions on any person participating in the legal proceedings who fail or refuse to comply with the court orders concerning the protection of the trade secret or alleged trade secret.

4. Each Party shall ensure that an application for the measure, procedures or remedies provided for in this Article is dismissed where the alleged acquisition, use or disclosure of a trade secret contrary to honest commercial practices was carried out, in accordance with its laws and regulations:

(a) to reveal misconduct, wrongdoing or illegal activity for the purpose of protecting the general public interest;

(b) as a disclosure by employees to their representatives as part of, and necessary for, the legitimate exercise by those representatives of their functions;

(c) to protect a legitimate interest recognised by the laws and regulations of that Party.

## **Section 4. BORDER ENFORCEMENT**

### **Article 271. Border Measures**

1. With respect to goods under customs control, each Party shall adopt or maintain procedures under which a right holder may submit applications to a competent authority (1) to suspend the release of or detain suspected goods. For the purposes of this Section, "suspected goods" means goods suspected of infringing trade marks, copyrights and related rights, geographical indications, patents, utility models, industrial designs, topographies of integrated circuits and plant variety rights.

2. Each Party shall have in place electronic systems for the management by customs of the applications granted or recorded.

3. Each Party shall ensure that its competent authorities do not charge a fee to cover the administrative costs resulting from the processing of an application or a recordation.

4. Each Party shall ensure that its competent authorities decide about granting or recording applications within a reasonable period of time.

5. Each Party shall provide for the applications referred to in paragraph 1 to apply to multiple shipments,

6. With respect to goods under customs control, each Party shall ensure that its customs authorities may act upon their own initiative to suspend the release of or detain suspected goods.

7. Each Party shall ensure that its customs authorities use risk analysis to identify suspected goods.

8. Each Party may authorise its customs authority to provide a right holder, upon request, with information about goods, including a description and the actual or estimated quantities thereof, and if known, the name and address of the consignor, importer, exporter or consignee, and the country of origin or provenance of the goods, whose release has been suspended,

or which have been detained.

9. Each Party shall have in place procedures allowing for the destruction of suspected goods, without there being any need for prior administrative or judicial proceedings for the formal determination of the infringements, where the persons concerned agree or do not oppose the destruction. In case suspected goods are not destroyed, each Party shall ensure that, except in exceptional circumstances, such goods are disposed of outside the commercial channel in a manner which avoids any harm to the right holder.

10. Each Party shall have in place procedures allowing for the swift destruction of counterfeit trade mark and pirated goods sent in postal or express couriers' consignments.

11. Each Party shall provide that, where requested by the customs authorities, the holder of the granted or recorded application shall be obliged to reimburse the costs incurred by the customs authorities, or other parties acting on behalf of customs authorities, from the moment of detention or suspension of the release of the goods, including storage, handling, and any costs relating to the destruction or disposal of the goods.

12. Each Party may decide not to apply this Article to the import of goods put on the market in another country by or with the consent of the right holders, A Party may exclude from the application of this Article goods of a non-commercial nature contained in travellers' personal luggage.

13. Each Party shall allow its customs authorities to maintain a regular dialogue and promote cooperation with the relevant stakeholders and with other authorities involved in the enforcement of intellectual property rights.

14. The Parties shall cooperate in respect of international trade in suspected goods. In particular, the Parties shall, as far as possible, share relevant information on trade in suspected goods affecting the other Party.

15. Without prejudice to other forms of cooperation, the Protocol on mutual administrative assistance in customs matters applies with regard to breaches of legislation on intellectual property rights for the enforcement of which the customs authorities of a Party are competent in accordance with this Article.

(1) For the Union the competent authority means the customs authorities.

## **Article 272. Consistency with GATT 1994 and the TRIPS Agreement**

In implementing border measures for the enforcement of intellectual property rights by customs, whether or not covered by this Section, the Parties shall ensure consistency with their obligations under GATT 1994 and the TRIPS Agreement and, in particular, with Article V of GATT 1994 and Article 41 and Section 4 of Part III of the TRIPS Agreement.

## **Chapter 4. OTHER PROVISIONS**

### **Article 273. Cooperation**

1. The Parties shall cooperate with a view to supporting the implementation of the commitments and obligations undertaken under this Title.

2. The areas of cooperation include, but are not limited to, the following activities:

(a) exchange of information on the legal framework concerning intellectual property rights and relevant rules of protection and enforcement;

(b) exchange of experience on legislative progress, on the enforcement of intellectual property rights and on enforcement at central and sub-central level by customs, police, administrative and judiciary bodies;

(c) coordination to prevent exports of counterfeit goods, including coordination with other countries;

(d) technical assistance, capacity building, exchange and training of personnel;

(e) protection and defence of intellectual property rights and the dissemination of information in this regard in, among others, to business circles and civil society;

(f) public awareness of consumers and right holders;

(g) the enhancement of institutional cooperation, particularly between the intellectual property offices of the Parties;

(h) educating and promoting awareness among the general public regarding policies concerning the protection and enforcement of intellectual property rights;

(i) the promotion of protection and enforcement of intellectual property rights with public-private collaboration involving small and medium-size enterprises;

(j) the formulation of effective strategies to identify audiences and communication programmes to increase consumer and media awareness of the impact of intellectual property rights' violations, including the risk to health and safety and the connection to organised crime.

3. The Parties shall, either directly or through the Trade Specialised Committee on Intellectual Property, maintain contact on all matters related to the implementation and functioning of this Title.

## **Article 274. Voluntary Stakeholder Initiatives**

Each Party shall endeavour to facilitate voluntary stakeholder initiatives to reduce intellectual property rights infringement, including online and in other marketplaces focusing on concrete problems and seeking practical solutions that are realistic, balanced, proportionate and fair for all concerned including in the following ways:

(a) each Party shall endeavour to convene stakeholders consensually in its territory to facilitate voluntary initiatives to find solutions and resolve differences regarding the protection and enforcement of intellectual property rights and reducing infringement;

(b) the Parties shall endeavour to exchange information with each other regarding efforts to facilitate voluntary stakeholder initiatives in their respective territories; and

(c) the Parties shall endeavour to promote open dialogue and cooperation among the Parties' stakeholders, and to encourage the Parties' stakeholders to jointly find solutions and resolve differences regarding the protection and enforcement of intellectual property rights and reducing infringement.

## **Article 275. Review In Relation to Geographical Indications**

Noting the relevant provisions of any earlier bilateral agreement between the United Kingdom of the one part and the European Union and European Atomic Energy Community of the other part, the Parties may jointly use reasonable endeavours to agree rules for the protection and effective domestic enforcement of their geographical indications.

## **Title VI. PUBLIC PROCUREMENT**

### **Chapter 1. SCOPE**

#### **Article 276. Objective**

The objective of this Title is to guarantee each Party's suppliers access to increased opportunities to participate in public procurement procedures and to enhance the transparency of public procurement procedures.

#### **Article 277. Incorporation of Certain Provisions of the GPA and Covered Procurement**

1. The provisions of the GPA that are specified in Section A of Annex 25, including the Annexes of each Party to Appendix I to the GPA, are hereby incorporated into this Title.

2. For the purposes of this Title, "covered procurement" means procurement to which Article II of the GPA applies and, in addition, procurement listed in Section B of Annex 25.

3. With regard to covered procurement, each Party shall apply, mutatis mutandis, the provisions of the GPA specified in Section A of Annex 25 to suppliers, goods or services of the other Party.

### **Chapter 2. ADDITIONAL RULES FOR COVERED PROCUREMENT**

#### **Article 278. Use of Electronic Means In Procurement**

1. Each Party shall ensure that its procuring entities conduct covered procurement by electronic means to the widest extent practicable.
2. A procuring entity is considered as conducting covered procurement by electronic means, if the entity uses electronic means of information and communication for:
  - (a) the publication of notices and tender documentation in procurement procedures; and
  - (b) the submission of requests to participate and of tenders.
3. Except for specific situations, such electronic means of information and communication shall be non-discriminatory, generally available and interoperable with the information and communication technology products in general use and shall not restrict access to the procurement procedure.
4. Each Party shall ensure that its procuring entities receive and process electronic invoices in accordance with its legislation.

### **Article 279. Electronic Publication**

With regard to covered procurement, all procurement notices including notices of intended procurement, summary notices, notices of planned procurement and contract award notices shall be directly accessible by electronic means, free of charge, through a single point of access on the internet.

### **Article 280. Supporting Evidence**

Each Party shall ensure that at the time of submission of requests to participate or at the time of submission of tenders, procuring entities do not require suppliers to submit all or part of the supporting evidence that they are not in one of the situations in which a supplier may be excluded and that they fulfil the conditions for participation unless this is necessary to ensure the proper conduct of the procurement.

### **Article 281. Conditions for Participation**

Each Party shall ensure that where its procuring entities require a supplier, as a condition for participation in a covered procurement, to demonstrate prior experience they do not require that the supplier has such experience in the territory of that Party.

### **Article 282. Registration Systems and Qualification Procedures**

A Party that maintains a supplier registration system shall ensure that interested suppliers may request registration at any time. Any interested supplier having made a request shall be informed within a reasonable period of time of the decision to grant or reject this request.

### **Article 283. Selective Tendering**

Each Party shall ensure that where a procuring entity uses a selective tendering procedure, the procuring entity addresses invitations to submit a tender to a number of suppliers that is sufficient to ensure genuine competition without affecting the operational efficiency of the procurement system.

### **Article 284. Abnormally Low Prices**

Further to paragraph 6 of Article XV of the GPA, if a procuring entity receives a tender with a price that is abnormally lower than the prices in other tenders submitted, it may also verify with the supplier whether the price takes into account the grant of subsidies.

### **Article 285. Environmental, Social and Labour Considerations.**

Each Party shall ensure that its procuring entities may take into account environmental, labour and social considerations throughout the procurement procedure, provided that those considerations are compatible with the rules established by Chapters 1 and 2 and are indicated in the notice of intended procurement or in another notice used as a notice of intended procurement or tender documentation.

## **Article 286. Domestic Review Procedures**

1. Where an impartial administrative authority is designated by a Party under paragraph 4 of Article XVIII of the GPA, that Party shall ensure that:
  - (a) the members of the designated authority are independent, impartial, and free from external influence during the term of appointment;
  - (b) the members of the designated authority are not dismissed against their will while they are in office, unless their dismissal is required by the provisions governing the designated authority; and
  - (c) the President or at least one other member of the designated authority, has legal and professional qualifications equivalent to those necessary for judges, lawyers or other legal experts qualified under the laws and regulations of the Party.
2. Each Party shall adopt or maintain procedures that provide for rapid interim measures to preserve the supplier's opportunity to participate in the procurement. Such interim measures, provided for in subparagraph 7(a) of Article XVIII of the GPA, may result in suspension of the procurement process or, if contract has been concluded by the procuring entity and if a Party has so provided, in suspension of performance of the contract. The procedures may provide that overriding adverse consequences for the interests concerned, including the public interest, may be taken into account when deciding whether such measures should be applied. Just cause for not acting shall be provided in writing.
3. In case an interested or participating supplier has submitted a challenge with the designated authority referred to in paragraph 1, each Party shall, in principle, ensure that a procuring entity shall not conclude the contract until that authority has made a decision or recommendation on the challenge with regard to interim measures, corrective action or compensation for the loss or damages suffered as referred to in paragraphs 2, 5 and 6 in accordance with its rules, regulations and procedures. Each Party may provide that in unavoidable and duly justified circumstances, the contract can be nevertheless concluded.
4. Each Party may provide for:
  - (a) a standstill period between the contract award decision and the conclusion of a contract in order to give sufficient time to unsuccessful suppliers to assess whether it is appropriate to initiate a review procedure; or
  - (b) a sufficient period for an interested supplier to submit a challenge, which may constitute grounds for the suspension of the execution of a contract.
5. Corrective action under subparagraph 7(b) of Article XVIII of the GPA may include one or more of the following:
  - (a) the removal of discriminatory technical, economic or financial specifications in the invitation to tender, the contract documents or any other document relating to the tendering procedure and conduct of new procurement procedures;
  - (b) the repetition of the procurement procedure without changing the conditions;
  - (c) the setting aside of the contract award decision and the adoption of a new contract award decision;
  - (d) the termination of a contract or the declaration of its ineffectiveness; or
  - (e) the adoption of other measures with the aim to remedy a breach of Chapters 1 and 2, for example an order to pay a particular sum until the breach has been effectively remedied.
6. In accordance with subparagraph 7(b) of Article XVIII of the GPA, each Party may provide for the award of compensation for the loss or damages suffered. In this regard, if the review body of the Party is not a court and a supplier believes that there has been a breach of the domestic laws and regulations implementing the obligations under Chapters 1 and 2 of this Title, the supplier may bring the matter before a court, including with a view to seeking compensation, in accordance with judicial procedures of the Party.
7. Each Party shall adopt or maintain the necessary procedures by which the decisions or recommendations made by review bodies are effectively implemented, or the decisions by judicial review bodies are effectively enforced.

## **Chapter 3. NATIONAL TREATMENT BEYOND COVERED PROCUREMENT**

## **Article 287. Definitions**

1. For the purposes of this Chapter, the treatment accorded by a Party under this Chapter means:

(a) with respect to the United Kingdom, treatment no less favourable than the most favourable treatment accorded, in like situations, to suppliers of the United Kingdom; and

(b) with respect to a Member State, treatment no less favourable than the most favourable treatment accorded, in like situations, within that Member State to suppliers of that Member State.

2. For the purposes of this Chapter, a supplier of a Party, which is a legal person means:

(a) for the Union, a legal person constituted or organised under the law of the Union or at least one of its Member States and engaged in substantive business operations, understood by the Union, in line with its notification of the Treaty establishing the European Community to the WTO (WT/REG39/1), as equivalent to the concept of "effective and continuous link" with the economy of a Member State enshrined in Article 54 of the TFEU, in the territory of the Union; and

(b) for the United Kingdom, a legal person constituted or organised under the law of the United Kingdom and engaged in substantive business operations in the territory of the United Kingdom.

## **Article 288. National Treatment of Locally Established Suppliers**

1. With regard to any procurement, a measure of a Party shall not result for suppliers of the other Party established in its territory through the constitution, acquisition or maintenance of a legal person in treatment less favourable than that Party accords to its own like suppliers (1).

2. The application of the national treatment obligation provided for in this Article remains subject to security and general exceptions as defined in Article III of the GPA, even if the procurement is not covered procurement in accordance with this Title.

(1) For greater certainty, application of the national treatment obligation provided for in this Article is subject to the exceptions referred to in note 3 of the Notes of Sub-sections B1 and B2 of Section B of Annex 25.

## **Chapter 4. OTHER PROVISIONS**

### **Article 289. Modifications and Rectifications of Market Access Commitments**

Each Party may modify or rectify its market access commitments in its respective Sub-section under Section B of Annex 25 in accordance with the procedures set out in Articles 290 to 293.

### **Article 290. Modifications**

1. A Party intending to modify a Sub-section of Section B of Annex 25, shall:

(a) notify the other Party in writing; and

(b) include in the notification a proposal for appropriate compensatory adjustments to the other Party to maintain a level of market access commitments comparable to that existing prior to the modification.

2. Notwithstanding point (b) of paragraph 1, a Party is not required to provide compensatory adjustments to the other Party if the proposed modification covers a procuring entity over which the Party has effectively eliminated its control or influence in respect of covered procurement.

A Party's control or influence over the covered procurement of procuring entities is presumed to be effectively eliminated if the procuring entity is exposed to competition in markets to which access is not restricted.

3. The other Party may object to the modification referred to in point (a) of paragraph 1 if it disputes that:

(a) a compensatory adjustment proposed under point (b) of paragraph 1 is adequate to maintain a comparable level of mutually agreed market access commitments; or



(b) the modification covers a procuring entity over which the Party has effectively eliminated its control or influence as provided for in paragraph 2.

The other Party shall object in writing within 45 days of receipt of the notification referred to in point (a) of paragraph 1 or be deemed to have accepted the compensatory adjustment or modification, including for the purposes of Title I of Part Six.

## **Article 291. Rectifications**

1. A Party intending to rectify a Sub-section under Section B of Annex 25 shall notify the other Party in writing.

The following changes to a Sub-section under Section B of Annex 25 shall be considered a rectification, provided that they do not affect the mutually agreed market access commitments provided for in this Title:

(a) a change in the name of a procuring entity;

(b) a merger of two or more procuring entities listed within that Sub-section; and

(c) the separation of a procuring entity listed in that Sub-section into two or more procuring entities that are added to the procuring entities listed in the same Sub-section.

2. A Party may notify the other Party of an objection to a proposed rectification within 45 days from having received the notification. A Party submitting an objection shall set out the reasons for considering the proposed rectification not as a change provided for in paragraph 1, and describe the effect of the proposed rectification on the mutually agreed market access commitments provided for in this Title. If no such objection is submitted in writing within 45 days after having received the notification, the Party shall be deemed to have agreed to the proposed rectification.

## **Article 292. Consultations and Dispute Resolution**

If a Party objects to the proposed modification or the proposed compensatory adjustments referred to in Article 290 or to the proposed rectification referred to in Article 291, the Parties shall seek to resolve the issue through consultations. If no agreement is found within 60 days of receipt of the objection, the Party seeking to modify or rectify its Sub-section under Section B of Annex 25 may refer the matter to dispute settlement in accordance with Title I of Part Six, to determine whether the objection is justified.

## **Article 293. Amendment of Section B of Annex 25**

If a Party does not object to the modification pursuant to Article 290(3) or to a rectification pursuant to Article 291(2), or the modifications or rectifications are agreed between the Parties through the consultations referred to in Article 292, or there is a final settlement of the matter under Title I of Part Six, the Partnership Council shall amend the relevant Sub-section under Section B of Annex 25 to reflect the corresponding modifications or rectifications or the compensatory adjustments.

## **Article 294. Cooperation**

1. The Parties recognise the benefits that may arise from cooperating in the international promotion of the mutual liberalisation of public procurement markets.

2. The Parties shall make available to each other annual statistics on covered procurement subject to technical availability.

## **Title VII. SMALL AND MEDIUM-SIZED ENTERPRISES**

### **Article 295. Objective**

The objective of this Title is to enhance the ability of small and medium-sized enterprises to benefit from this Heading.

### **Article 296. Information Sharing**

1. Each Party shall establish or maintain its own publicly accessible website for small and medium-sized enterprises with information regarding this Heading, including:

(a) a summary of this Heading;

(b) a description of the provisions in this Heading that each Party considers to be relevant to small and medium-sized enterprises of both Parties; and

(c) any additional information that each Party considers would be useful for small and medium-sized enterprises interested in benefitting from this Heading.

2. Each Party shall include an internet link in the website provided for in paragraph 1 to the:

(a) text of this Heading;

(b) equivalent website of the other Party; and

(c) websites of its own authorities that the Party considers would provide useful information to persons interested in trading and doing business in its territory.

3. Each Party shall include an internet link in the website referred to in paragraph 1 to websites of its own authorities with information related to the following:

(a) customs laws and regulations, procedures for importation, exportation and transit as well as relevant forms, documents and other information required;

(b) laws, regulations and procedures concerning intellectual property rights, including geographical indications;

(c) technical laws and regulations including, where necessary, obligatory conformity assessment procedures and links to lists of conformity assessment bodies, in cases where third party conformity assessment is obligatory, as provided for in Chapter 4 of Title I;

(d) laws and regulations on sanitary and phytosanitary measures relating to importation and exportation as provided for in Chapter 3 of Title I;

(e) laws and regulations on public procurement, single point of access on the internet to public procurement notices as provided for in Title VI and other relevant provisions contained in that Title;

(f) company registration procedures; and

(g) other information which the Party considers may be of assistance to small and medium-sized enterprises.

4. Each Party shall include an internet link in the website provided for in paragraph 1 to a database that is electronically searchable by tariff nomenclature code and that includes the following information with respect to access to its market:

(a) in respect of tariff measures and tariff-related information:

(i) rates of customs duties and quotas, including most-favoured nation, rates concerning non most-favoured nation countries and preferential rates and tariff rate quotas;

(ii) excise duties;

(iii) taxes (value added tax/ sales tax);

(iv) customs or other fees, including other product specific fees;

(v) rules of origin as provided for in Chapter 2 of Title I;

(vi) duty drawback, deferral, or other types of relief that reduce, refund, or waive customs duties;

(vii) criteria used to determine the customs value of the good; and

(viii) other tariff measures;

(b) in respect of tariff nomenclature related non-tariff measures:

(i) information needed for import procedures; and

(ii) information related to non-tariff measures.

5. Each Party shall regularly, or if requested by the other Party, update the information and links referred to in paragraphs 1 to 4 that it maintains on its website to ensure such information and links are up-to-date and accurate.

6. Each Party shall ensure that the information and links referred to in paragraphs 1 to 4 is presented in an adequate manner to use for small and medium-sized enterprises. Each Party shall endeavour to make the information available in English.

7. No fee shall apply for access to the information provided pursuant to paragraphs 1 to 4 for any person of either Party.

## **Article 297. Small and Medium-sized Enterprises Contact Points**

1. Upon the entry into force of this Agreement, each Party shall designate a contact point to carry out the functions listed in this Article and notify the other Party of its contact details. The Parties shall promptly notify each other of any change of those contact details.

2. The small and medium-sized enterprises contact points of the Parties shall:

(a) seek to ensure that the needs of small and medium-sized enterprises are taken into account in the implementation of this Heading and that small and medium-sized enterprises of both Parties can take advantage of this Heading;

(b) consider ways for strengthening the cooperation on matters of relevance to small and medium-sized enterprises between the Parties in view of increasing trade and investment opportunities for small and medium-sized enterprises;

(c) ensure that the information referred to in Article 296 is up-to-date, accurate and relevant for small and medium-sized enterprises, Either Party may, through the small and medium-sized enterprises contact point, suggest additional information that the other Party may include in its websites to be maintained in accordance with Article 296;

(d) examine any matter relevant to small and medium-sized enterprises in connection with the implementation of this Heading, including:

(i) exchanging information to assist the Partnership Council in its task to monitor and implement the small and medium-sized enterprises-related aspects of this Heading;

(ii) assisting specialised committees, joint working groups and contact points established by this Agreement in considering matters of relevance to small and medium-sized enterprises;

(e) report periodically on their activities, jointly or individually, to the Partnership Council for its consideration; and

(f) consider any other matter arising under this Agreement pertaining to small and medium-sized enterprises as the Parties may agree.

3. The small and medium-sized enterprises contact points of the Parties shall carry out their work through the communication channels decided by the Parties, which may include electronic mail, videoconferencing or other means. They may also meet, as appropriate.

4. Small and medium-sized enterprises contact points may seek to cooperate with experts and external organisations, as appropriate, in carrying out their activities.

## **Article 298. Relation with Part Six**

Title I of Part Six does not apply to this Title.

## **Title VIII. ENERGY**

### **Chapter 1. GENERAL PROVISIONS**

#### **Article 299. Objectives**

The objectives of this Title are to facilitate trade and investment between the Parties in the areas of energy and raw materials, and to support security of supply and environmental sustainability, notably in contributing to the fight against climate change in those areas.

#### **Article 300. Definitions**

1. For the purposes of this Title, the following definitions apply:

(a) "Agency for the Cooperation of Energy Regulators" means the Agency established by Regulation (EU) 2019/942 of the European Parliament and of the Council (1);

(1) Regulation (EU) 2019/942 of the European Parliament and of the Council of 5 June 2019 establishing a European Union Agency for the Cooperation of Energy Regulators (OJ EU L 158, 14.6.2019, p. 22).

(b) "authorisation" means the permission, licence, concession or similar administrative or contractual instrument by which the competent authority of a Party entitles an entity to exercise a certain economic activity in its territory;

(c) "balancing" means:

(i) for electricity systems, all actions and processes, in all timelines, through which electricity transmission system operators ensure, in an ongoing manner, maintenance of the system frequency within a predefined stability range and compliance with the amount of reserves needed with respect to the required quality;

(ii) for gas systems, actions undertaken by gas transmission system operators to change the gas flows onto or off the transmission network, excluding those actions related to gas unaccounted for as off-taken from the system and gas used by the transmission system operator for the operation of the system;

(d) "distribution" means:

(i) in relation to electricity, the transport of electricity on high-voltage, medium-voltage and low-voltage distribution systems with a view to its delivery to customers, but does not include supply;

(ii) in relation to gas, the transport of natural gas through local or regional pipeline networks with a view to its delivery to customers, but does not include supply;

(e) "distribution system operator" means a natural or legal person who is responsible for operating, ensuring the maintenance of, and, if necessary, developing the electricity or gas distribution system in a given area and, where applicable, its interconnections with other systems, and for ensuring the long-term ability of the system to meet reasonable demands for the distribution of electricity or gas;

(f) "electricity interconnector" means a transmission line:

(i) between the Parties, excluding any such line wholly within the single electricity market in Ireland and Northern Ireland;

(ii) between Great Britain and the single electricity market in Ireland and Northern Ireland that is outside the scope of point (i);

(g) "energy goods" means the goods from which energy is generated, listed by the corresponding Harmonised System (HS) code in Annex 26;

(h) "entity" means any natural person, legal person or enterprise or group thereof;

(i) "gas interconnector" means a transmission line which crosses or spans the border between the Parties;

(j) "generation" means the production of electricity;

(k) "hydrocarbons" means the goods listed by the corresponding HS code in Annex 26;

(l) "interconnection point" means, in relation to gas, a physical or virtual point connecting Union and United Kingdom entry-exit systems or connecting an entry-exit system with an interconnector, in so far as these points are subject to booking procedures by network users;

(m) "raw materials" means the goods listed by the corresponding HS chapter in Annex 26;

(n) "renewable energy" means a type of energy, including electrical energy, produced from renewable non-fossil sources;

(o) "standard capacity product" means, in relation to gas, a certain amount of transport capacity over a given period of time, at a specific interconnection point;

(p) "transmission" means:

(i) in relation to electricity, the transport of electricity on the extra high-voltage and high-voltage system with a view to its delivery to customers or to distributors, but does not include supply;

(ii) in relation to gas, the transport of natural gas through a network, which mainly contains high-pressure pipelines, other than an upstream pipeline network and other than the part of high-pressure pipelines primarily used in the context of local distribution of natural gas, with a view to its delivery to customers, but not including supply;

(q) "transmission system operator" means a natural or legal person who carries out the function of transmission or is responsible for operating, ensuring the maintenance of, and, if necessary, developing the electricity or gas transmission system in a given area and, where applicable, its interconnections with other systems, and for ensuring the long-term ability of the system to meet reasonable demands for the transport of gas or electricity, as the case may be;

(r) "upstream pipeline network" means any pipeline or network of pipelines operated or constructed as part of an oil or gas production project, or used to convey natural gas from one or more such projects to a processing plant or terminal or final coastal landing terminal.

2. For the purposes of this Title, references to "non-discriminatory" and "non-discrimination" mean most-favoured-nation treatment as defined in Articles 130 and 138 and national treatment as defined in Articles 129 and 137, as well as treatment under terms and conditions no less favourable than that accorded to any other like entity in like situations.

## **Article 301. Relationship with other Titles**

1. Chapter 2 and Chapter 3 of Title II of this Heading apply to energy and raw materials. In the event of any inconsistency between this Title and Title II of this Heading and Annexes 19 to 24, Title II of this Heading and Annexes 19 to 24 shall prevail.

2. For the purposes of Article 20 where a Party maintains or implements a system of virtual trading of natural gas or electricity using pipelines or electricity grids, meaning a system which does not require physical identification of the transited natural gas or electricity but is based on a system of netting inputs and outputs, the routes most convenient for international transit as referred to in that Article shall be deemed to include such virtual trading.

3. When applying Chapter 3 of Title XI of this Heading, Annex 27 also applies. Chapter 3 of Title XI of this Heading applies to Annex 27. Article 375 applies to disputes arising between the Parties concerning the interpretation and application of Annex 27.

## **Article 302. Principles**

Each Party preserves the right to adopt, maintain and enforce measures necessary to pursue legitimate public policy objectives, such as securing the supply of energy goods and raw materials, protecting society, the environment, including fighting against climate change, public health and consumers and promoting security and safety, consistent with the provisions of this Agreement.

# **Chapter 2. ELECTRICITY AND GAS**

## **Section 1. COMPETITION IN ELECTRICITY AND GAS MARKETS**

### **Article 303. Competition In Markets and Non-discrimination**

1. With the objective of ensuring fair competition, each Party shall ensure that its regulatory framework for the production, generation, transmission, distribution or supply of electricity or natural gas is non-discriminatory with regard to rules, fees and treatment.

2. Each Party shall ensure that customers are free to choose, or switch to, the electricity or natural gas supplier of their choice within their respective retail markets in accordance with the applicable laws and regulations.

3. Without prejudice to the right of each Party to define quality requirements, the provisions in this Chapter related to natural gas also apply to biogas and gas from biomass or other types of gas in so far as such gas can technically and safely be injected into, and transported through, the natural gas system. 4. This Article does not apply to cross-border trade and is without prejudice to each Party's right to regulate in order to achieve legitimate public policy goals based on objective and non-discriminatory criteria.

### **Article 304. Provisions Relating to Wholesale Electricity and Gas Markets**

1. Each Party shall ensure that wholesale electricity and natural gas prices reflect actual supply and demand. To that end,

each Party shall ensure that wholesale electricity and natural gas market rules:

- (a) encourage free price formation;
- (b) do not set any technical limits on pricing that restrict trade;
- (c) enable the efficient dispatch of electricity generation assets, energy storage and demand response and the efficient use of the electricity system;
- (d) enable the efficient use of the natural gas system; and
- (e) enable the integration of electricity from renewable energy sources, and ensure the efficient and secure operation and development of the electricity system.

2. Each Party shall ensure that balancing markets are organised in such a way as to ensure:

- (a) non-discrimination between participants and non-discriminatory access to participants;
- (b) that services are defined in a transparent manner;
- (c) that services are procured in a transparent, market-based manner, taking account of the advent of new technologies; and
- (d) that producers of renewable energy are accorded reasonable and non-discriminatory terms when procuring products and services.

A Party may decide not to apply point (c) if there is a lack of competition in the market for balancing services.

3. Each Party shall ensure that any capacity mechanism in electricity markets is clearly defined, transparent, proportionate and non-discriminatory. Neither Party is required to permit capacity situated in the territory of the other Party to participate in any capacity mechanism in its electricity markets.

4. Each Party shall assess the necessary actions to facilitate the integration of gas from renewable sources.

5. This Article is without prejudice to each Party's right to regulate in order to achieve legitimate public policy goals based on objective and non-discriminatory criteria.

## **Article 305. Prohibition of Market Abuse on Wholesale Electricity and Gas Markets**

1. Each Party shall prohibit market manipulation and insider trading on wholesale electricity and natural gas markets, including over-the-counter markets, electricity and natural gas exchanges and markets for the trading of electricity and natural gas, capacity, balancing and ancillary services in all timeframes, including forward, day-ahead and intraday markets.
2. Each Party shall monitor trading activity on these markets with a view to detecting and preventing trading based on inside information and market manipulation.
3. The Parties shall cooperate, including in accordance with Article 318, with a view to detecting and preventing trading based on inside information and market manipulation and, where appropriate, may exchange information including on market monitoring and enforcement activities.

## **Article 306. Third-party Access to Transmission and Distribution Networks**

1. Each Party shall ensure the implementation of a system of third-party access to their transmission and distribution networks based on published tariffs that are applied objectively and in a non-discriminatory manner.
2. Without prejudice to Article 302, each Party shall ensure that transmission and distribution system operators in its territory grant access to their transmission or distribution systems to entities in that Party's market within a reasonable period of time from the date of the request for access.

Each Party shall ensure that transmission system operators treat producers of renewable energy on reasonable and non-discriminatory terms regarding connection to, and use of, the electricity network.

The transmission or distribution system operator may refuse access where it lacks the necessary capacity. Duly substantiated reasons shall be given for any such refusal.

3. Without prejudice to legitimate public policy objectives, each Party shall ensure that charges applied to entities in that

Party's market by transmission and distribution system operators for access to, connection to or the use of networks, and, where applicable, charges for related network reinforcements, are appropriately cost-reflective and transparent. Each Party shall ensure publication of the terms, conditions, tariffs and all such information that may be necessary for the effective exercise of the right of access to and use of transmission and distribution systems.

4. Each Party shall ensure that the tariffs and charges referred to in paragraphs 1 and 3 are applied in a non-discriminatory manner with respect to entities in that Party's market.

### **Article 307. System Operation and Unbundling of Transmission Network Operators**

1. Each Party shall ensure that transmission system operators carry out their functions in a transparent, non-discriminatory way.

2. Each Party shall implement arrangements for transmission system operators which are effective in removing any conflicts of interest arising as a result of the same person exercising control over a transmission system operator and a producer or supplier.

### **Article 308. Public Policy Objectives for Third-party Access and Ownership Unbundling**

1. Where necessary to fulfil a legitimate public policy objective and based on objective criteria, a Party may decide not to apply Articles 306 and 307 to the following:

- (a) emergent or isolated markets or systems;
- (b) infrastructure which meets the conditions set out in Annex 28,

2. Where necessary to fulfil a legitimate public policy objective and based on objective criteria, a Party may decide not to apply Articles 303 and 304 to:

- (a) small or isolated electricity markets or systems;
- (b) small, emergent or isolated natural gas markets or systems.

### **Article 309. Existing Exemptions for Interconnectors**

Each Party shall ensure that exemptions granted to interconnections between the Union and the United Kingdom under Article 63 of Regulation (EU) 2019/943 of the European Parliament and of the Council (1) and under the law transposing Article 36 of Directive 2009/73/EC of the European Parliament and of the Council (2) in their respective jurisdictions, the terms of which extend beyond the transition period, continue to apply in accordance with the laws of their respective jurisdictions and the terms applicable.

(1) Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (OJ EU L 158, 14.6.2019, p. 54) or its predecessors: OJ EU L 176, 15.7.2003, p.1 and OJ EU L 211, 14.8.2009, p. 15.

(2) Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas (OJ EU L 211, 14.8.2009, p. 94) or its predecessor: OJ EU L 176, 15.7.2003, p. 57.

### **Article 310. Independent Regulatory Authority**

1. Each Party shall ensure the designation and maintenance of an operationally independent regulatory authority or authorities for electricity and gas with the following powers and duties:

- (a) fixing or approving the tariffs, charges and conditions for access to networks referred to in Article 306 or the methodologies underlying them;
- (b) ensuring compliance with the arrangements referred to in Articles 307 and 308;
- (c) issuing binding decisions at least in relation to points (a) and (b);
- (d) imposing effective remedies.

2. In performing those duties and exercising those powers, the independent regulatory authority or authorities shall act impartially and transparently.

## **Section 2. TRADING OVER INTERCONNECTORS**

### **Article 311. Efficient Use of Electricity Interconnectors**

1. With the aim of ensuring the efficient use of electricity interconnectors and reducing barriers to trade between the Union and the United Kingdom, each Party shall ensure that:

(a) capacity allocation and congestion management on electricity interconnectors is market based, transparent and non-discriminatory;

(b) the maximum level of capacity of electricity interconnectors is made available, respecting the:

(i) need to ensure secure system operation; and

(ii) most efficient use of systems;

(c) electricity interconnector capacity may only be curtailed in emergency situations and any such curtailment takes place in a non-discriminatory manner;

(d) information on capacity calculation is published to support the objectives of this Article;

(e) there are no network charges on individual transactions on, and no reserve prices for the use of, electricity interconnectors;

(f) capacity allocation and congestion management across electricity interconnectors is coordinated between concerned Union transmission system operators and United Kingdom transmission system operators; this coordination shall involve the development of arrangements to deliver robust and efficient outcomes for all relevant timeframes, being forward, day-ahead, intraday and balancing; and

(g) capacity allocation and congestion management arrangements contribute to supportive conditions for the development of, and investment in, economically efficient electricity interconnection.

2. The coordination and arrangements referred to in point (f) of paragraph 1 shall not involve or imply participation by United Kingdom transmission system operators in Union procedures for capacity allocation and congestion management.

3. Each Party shall take the necessary steps to ensure the conclusion as soon as possible of a multi-party agreement relating to the compensation for the costs of hosting cross-border flows of electricity between:

(a) transmission system operators participating in the inter-transmission system operator compensation mechanism established by Commission Regulation (EU) No 838/2010 (1); and

(1) Commission Regulation (EU) No 838/2010 of 23 September 2010 on laying down guidelines relating to the inter-transmission system operator compensation mechanism and a common regulatory approach to transmission charging (OJ EU L 250, 24.9.2010, p. 5).

(b) United Kingdom transmission system operators.

4. The multi-party agreement referred to in paragraph 3 shall aim to ensure:

(a) that United Kingdom transmission system operators are treated on an equivalent basis to a transmission system operator in a country participating in the inter-transmission system operator compensation mechanism; and

(b) the treatment of United Kingdom transmission system operators is not more favourable in comparison to that which would apply to a transmission system operator participating in the inter-transmission system operator compensation mechanism.

5. Notwithstanding point (e) of paragraph 1, until such time as the multi-party agreement referred to in paragraph 3 has been concluded, a transmission system use fee may be levied on scheduled imports and exports between the Union and the United Kingdom.

### **Article 312. Electricity Trading Arrangements at All Timeframes**



1. For capacity allocation and congestion management at the day ahead stage, the Specialised Committee on Energy, as a matter of priority, shall take the necessary steps in accordance with Article 317 to ensure that transmission system operators develop arrangements setting out technical procedures in accordance with Annex 29 within a specific timeline.
2. If the Specialised Committee on Energy does not recommend that the Parties implement such technical procedures in accordance with Article 317(4), it shall take decisions and make recommendations as necessary for electricity interconnector capacity to be allocated at the day-ahead market timeframe in accordance with Annex 29,
3. The Specialised Committee on Energy shall keep under review the arrangements for all timeframes, and for balancing and intraday timeframes in particular, and may recommend that each Party requests its transmission system operators to prepare technical procedures in accordance with Article 317 to improve arrangements for a particular timeframe.
4. The Specialised Committee on Energy shall keep under review whether the technical procedures developed in accordance with paragraph 1 continue to meet the requirements of Annex 29, and shall promptly address any issues that are identified.

### **Article 313. Efficient Use of Gas Interconnectors**

1. With the aim of ensuring the efficient use of gas interconnectors and reducing barriers to trade between the Union and the United Kingdom, each Party shall ensure that:

(a) the maximum level of capacity of gas interconnectors is made available, respecting the principle of non-discrimination and taking account of:

(i) the need to ensure secure system operation; and

(ii) the most efficient use of systems;

(b) capacity allocation mechanisms and congestion management procedures for gas interconnectors are market-based, transparent and non-discriminatory, and that auctions are generally used for the allocation of capacity at interconnection points.

2. Each Party shall take the necessary steps to ensure that:

(a) transmission system operators endeavour to offer jointly standard capacity products which consist of corresponding entry and exit capacity at both sides of an interconnection point;

(b) transmission system operators coordinate procedures relating to the use of gas interconnectors between Union transmission system operators and United Kingdom transmission system operators concerned.

3. The coordination referred to in point (b) of paragraph 2 shall not involve or imply participation by United Kingdom transmission system operators in Union procedures relating to the use of gas interconnectors,

## **Section 3. NETWORK DEVELOPMENT AND SECURITY OF SUPPLY**

### **Article 314. Network Development**

1. The Parties shall cooperate to facilitate the timely development and interoperability of energy infrastructure connecting their territories.

2. Each Party shall ensure that network development plans for electricity and gas transmission systems are drawn up, published and regularly updated.

### **Article 315. Cooperation on Security of Supply**

1. The Parties shall cooperate with respect to the security of supply of electricity and natural gas.

2. The Parties shall exchange information on any risks identified pursuant to Article 316 in a timely manner.

3. The Parties shall share the plans referred to in Article 316. For the Union, these plans may be at Member State or regional level.

4. The Parties shall inform each other without undue delay where there is reliable information that a disruption or other crisis relating to the supply of electricity or natural gas may occur and on measures planned or taken.

5. The Parties shall immediately inform each other in the event of an actual disruption or other crisis, in view of possible coordinated mitigation and restoration measures.
6. The Parties shall share best practices regarding short-term and seasonal adequacy assessments.
7. The Parties shall develop appropriate frameworks for cooperation with respect to the security of supply of electricity and natural gas.

## **Article 316. Risk Preparedness and Emergency Plans**

1. Each Party shall assess risks affecting the security of supply of electricity or natural gas, including the likelihood and impact of such risks, and including cross-border risks.
2. Each Party shall establish and regularly update plans to address identified risks affecting the security of supply of electricity or natural gas. Such plans shall contain the measures needed to remove or mitigate the likelihood and impact of any risk identified under paragraph 1 and the measures needed to prepare for, and mitigate the impact of, an electricity or natural gas crisis.
3. The measures contained in the plans referred to in paragraph 2 shall:
  - (a) be clearly defined, transparent, proportionate, non-discriminatory and verifiable;
  - (b) not significantly distort trade between the Parties; and
  - (c) not endanger the security of supply of electricity or natural gas of the other Party.

In the event of a crisis, the Parties shall only activate non-market based measures as a last resort.

## **Section 4. TECHNICAL COOPERATION**

### **Article 317. Cooperation between Transmission System Operators**

1. Each Party shall ensure that transmission system operators develop working arrangements that are efficient and inclusive in order to support the planning and operational tasks associated with meeting the objectives of this Title, including, when recommended by the Specialised Committee on Energy, the preparation of technical procedures to implement effectively the provisions of Article 311 to 315.

The working arrangements referred to in the first subparagraph shall include frameworks for cooperation between the European Network of Transmission System Operators for Electricity established in accordance with Regulation (EU) 2019/943 ("ENTSO-E") and the European Network of Transmission System Operators for Gas established in accordance with Regulation (EC) No 715/2009 of the European Parliament and of the Council (1) ("ENTSOG"), on the one side, and the transmission system operators for electricity and gas in the United Kingdom, on the other.

(1) Regulation (EC) No 715/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the natural gas transmission networks and repealing Regulation (EC) No 1775/2005 (OJ EU L 211, 14.8.2009, p. 36).

Those frameworks shall cover at least the following areas:

- (a) electricity and gas markets;
- (b) access to networks;
- (c) the security of electricity and gas supply;
- (d) offshore energy;
- (e) infrastructure planning;
- (f) the efficient use of electricity and gas interconnectors; and
- (g) gas decarbonisation and gas quality.

The Specialised Committee on Energy shall agree on guidance on the working arrangements and frameworks for

cooperation for dissemination to transmission system operators as soon as practicable.

The frameworks for cooperation mentioned in the second subparagraph shall not involve, or confer a status comparable to, membership in ENTSO-E or ENTSOG by United Kingdom transmission system operators.

2. The Specialised Committee on Energy may recommend that each Party requests its transmission system operators to prepare the technical procedures as referred to in the first subparagraph of paragraph 1.

3. Each Party shall ensure that its respective transmission system operators request the opinions of the Agency for the Cooperation of Energy Regulators and the regulatory authority in the United Kingdom designated in accordance with Article 310 on the technical procedures, respectively, in the event of a disagreement and in any event before the finalisation of those technical procedures. The Parties' respective transmission system operators shall submit those opinions together with the draft technical procedures to the Specialised Committee on Energy.

4. The Specialised Committee on Energy shall review the draft technical procedures, and may recommend that the Parties implement such procedures in their respective domestic arrangements, taking due account of the opinions of the Agency for the Cooperation of Energy Regulators and the regulatory authority in the United Kingdom designated in accordance with Article 310. The Specialised Committee on Energy shall monitor the effective operation of such technical procedures and may recommend that they be updated.

### **Article 318. Cooperation between Regulatory Authorities**

1. The Parties shall ensure that the Agency for the Cooperation of Energy Regulators and the regulatory authority in the United Kingdom designated in accordance with Article 310 develop contacts and enter into administrative arrangements as soon as possible in order to facilitate meeting the objectives of this Agreement. The contacts and administrative arrangements shall cover at least the following areas:

- (a) electricity and gas markets;
- (b) access to networks;
- (c) the prevention of market abuse on wholesale electricity and gas markets;
- (d) the security of electricity and gas supply;
- (e) infrastructure planning;
- (f) offshore energy;
- (g) the efficient use of electricity and gas interconnectors;
- (h) cooperation between transmission system operators; and
- (i) gas decarbonisation and gas quality.

The Specialised Committee on Energy shall agree on guidance on the administrative arrangements for such cooperation for dissemination to regulatory authorities as soon as practicable.

2. The administrative arrangements referred to in paragraph 1 shall not involve, or confer a status comparable to, participation in the Agency for the Cooperation of Energy Regulators by the regulatory authority in the United Kingdom designated in accordance with Article 310.

## **Chapter 3. SAFE AND SUSTAINABLE ENERGY**

### **Article 319. Renewable Energy and Energy Efficiency**

1. Each Party shall promote energy efficiency and the use of energy from renewable sources.

Each Party shall ensure that its rules that apply to licencing or equivalent measures applicable to energy from renewable sources are necessary and proportionate.

2. The Union reaffirms the target for the share of gross final energy consumption from renewable energy sources in 2030 as set out in Directive (EU) 2018/2001 of the European Parliament and of the Council (1).

(1) Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources (OJ EU L 328, 21.12.2018, p. 82).

The Union reaffirms its energy efficiency targets for 2030 as set out in the Directive 2012/27/EU of the European Parliament and of the Council (2).

(2) Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency (OJ EU L 315, 14.11.2012, p.1).

3. The United Kingdom reaffirms:

(a) its ambition for the share of energy from renewable sources in gross final energy consumption in 2030 as set out in its National Energy and Climate Plan;

(b) its ambition for the absolute level of primary and final energy consumption in 2030 as set out in its National Energy and Climate Plan.

4. The Parties shall keep each other informed in relation to the matters referred to in paragraphs 2 and 3.

### **Article 320. Support for Renewable Energy**

1. Each Party shall ensure that support for electricity from renewable sources facilitates the integration of electricity from renewable sources in the electricity market.

2. Biofuels, bioliquids and biomass shall only be supported as renewable energy if they meet robust criteria for sustainability and greenhouse gas emissions saving, which are subject to verification.

3. Each Party shall clearly define any technical specifications which are to be met by renewable energy equipment and systems in order to benefit from support schemes. Such technical specifications shall take into account cooperation developed under Articles 91, 92 and 323.

### **Article 321. Cooperation In the Development of Offshore Renewable Energy**

1. The Parties shall cooperate in the development of offshore renewable energy by sharing best practices and, where appropriate, by facilitating the development of specific projects.

2. Building on the North Seas Energy Cooperation, the Parties shall enable the creation of a specific forum for technical discussions between the European Commission, ministries and public authorities of the Member States, United Kingdom ministries and public authorities, transmission system operators and the offshore energy industry and stakeholders more widely, in relation to offshore grid development and the large renewable energy potential of the North Seas region. That cooperation shall include at least the following areas:

(a) hybrid and joint projects;

(b) maritime spatial planning;

(c) support framework and finance;

(d) best practices on respective onshore and offshore grid planning;

(e) the sharing of information on new technologies; and

(f) the exchange of best practices in relation to the relevant rules, regulations and technical standards.

### **Article 322. Offshore Risk and Safety**

1. The Parties shall cooperate and exchange information with the aim of maintaining high levels of safety and environmental protection for all offshore oil and gas operations.

2. The Parties shall take appropriate measures to prevent major accidents from offshore oil and gas operations and to limit the consequences of such accidents.

3. The Parties shall promote the exchange of best practices among their authorities that are competent for the safety and environmental protection of offshore oil and gas operations. The regulation of the safety and environmental protection of offshore oil and gas operations shall be independent from any functions relating to licensing of offshore oil and gas operations.

### **Article 323. Cooperation on Standards**

In accordance with Articles 92 and 98, the Parties shall promote cooperation between the regulators and standardisation bodies located within their respective territories to facilitate the development of international standards with respect to energy efficiency and renewable energy, with a view to contributing to sustainable energy and climate policy.

### **Article 324. Research, Development and Innovation**

The Parties shall promote research, development and innovation in the areas of energy efficiency and renewable energy.

## **Chapter 4. ENERGY GOODS AND RAW MATERIALS**

### **Article 325. Export Pricing**

A Party shall not impose a higher price for exports of energy goods or raw materials to the other Party than the price charged for those energy goods or raw materials when destined for the domestic market, by means of any measures such as licences or minimum price requirements.

### **Article 326. Regulated Pricing**

If a Party decides to regulate the price of the domestic supply to consumers of electricity or natural gas, it may do so only to achieve a public policy objective, and only by imposing a regulated price that is clearly defined, transparent, non-discriminatory and proportionate.

### **Article 327. Authorisation for Exploration and Production of Hydrocarbons and Generation of Electricity**

1. If a Party requires an authorisation for exploration or production of hydrocarbons or generation of electricity, that Party shall grant such authorisations on the basis of objective and non-discriminatory criteria which are drawn up and published before the start of the period for submission of applications in accordance with the general conditions and procedures set out in Section 1 of Chapter 5 of Title II of this Heading.

2. Notwithstanding paragraph 1 of this Article and Article 301, each Party may grant authorisations related to exploration for or the production of hydrocarbons without complying with the conditions and procedures related to publication set out in Article 153 on the basis of duly justified exemptions as provided for in applicable legislation.

3. Financial contributions or contributions in kind required from entities to which an authorisation is granted shall not interfere with the management and decision-making process of such entities.

4. Each Party shall provide that an applicant for authorisation has the right to appeal any decision concerning the authorisation to an authority higher than or independent from the authority that issued the decision or to request that such a higher or independent authority review that decision. Each Party shall ensure that the applicant is provided with the reasons for the administrative decision to enable the applicant to have recourse to the procedures for appeal or review if necessary. The applicable rules for appeal or review shall be published.

### **Article 328. Safety and Integrity of Energy Equipment and Infrastructure**

This Title shall not be construed as preventing a Party from adopting temporary measures necessary to protect the safety and preserve the integrity of energy equipment or infrastructure, provided that those measures are not applied in a manner which would constitute a disguised restriction on trade or investment between the Parties.

## **Chapter 5. FINAL PROVISIONS**

### **Article 329. Effective Implementation and Amendments**

1. The Partnership Council may amend Annex 26 and Annex 28. The Partnership Council may update Annex 27 as necessary to ensure the operation of that Annex over time.
2. The Specialised Committee on Energy may amend Annex 29. 3. The Specialised Committee on Energy shall make recommendations as necessary to ensure the effective implementation of the Chapters of this Title for which it is responsible.

### **Article 330. Dialogue**

The Parties shall establish a regular dialogue to facilitate meeting the objectives of this Title.

### **Article 331. Termination of this Title**

1. This Title shall cease to apply on 30 June 2026.
2. Notwithstanding paragraph 1, between 1 July 2026 and 31 December 2026, the Partnership Council may decide that this Title will apply until 31 March 2027. Between 1 April 2027 and 31 December 2027, as well as at any point of time in any subsequent year, the Partnership Council may decide that this Title will apply until 31 March of the following year.
3. This Article applies without prejudice to Articles 509, 521 and 779.

## **Title IX. TRANSPARENCY**

### **Article 332. Objective**

1. Recognising the impact that their respective regulatory environments may have on trade and investment between them, the Parties aim to provide a predictable regulatory environment and efficient procedures for economic operators, especially for small and medium-sized enterprises.
2. The Parties affirm their commitments in relation to transparency under the WTO Agreement, and build on those commitments in the provisions laid down in this Title.

### **Article 333. Definition**

For the purposes of this Title, "administrative decision" means a decision or action with legal effect that applies to a specific person, good or service in an individual case, and covers the failure to take a decision or take such action when that is so required by the law of a Party.

### **Article 334. Scope**

This Title applies with respect to Titles I to VIII and Titles X to XII of this Heading and Heading Six.

### **Article 335. Publication**

1. Each Party shall ensure that its laws, regulations, procedures and administrative rulings of general application are promptly published via an officially designated medium, and, where feasible, by electronic means, or are otherwise made available in such a manner as to enable any person to become acquainted with them.
2. To the extent appropriate, each Party shall provide an explanation of the objective of and rationale for measures referred to in paragraph 1.
- 3 Each Party shall provide a reasonable period of time between publication and entry into force of its laws and regulations, except when this is not possible for reasons of urgency.

### **Article 336. Enquiries**

1. Each Party shall establish or maintain appropriate and proportionate mechanisms for responding to questions from any person regarding any laws or regulations.
2. Each Party shall promptly provide information and respond to questions by the other Party pertaining to any law or regulation whether in force or planned, unless a specific mechanism is established under another provision of this

Agreement.

## **Article 337. Administration of Measures of General Application**

1. Each Party shall administer its laws, regulations, procedures and administrative rulings of general application in an objective, impartial, and reasonable manner.
2. When administrative proceedings relating to persons, goods or services of the other Party are initiated in respect of the application of laws or regulations, each Party shall:
  - (a) endeavour to provide persons who are directly affected by the administrative proceedings with reasonable notice in accordance with its laws and regulations, including a description of the nature of the proceedings, a statement of the legal authority under which the proceedings are initiated and a general description of any issues in controversy; and
  - (b) afford such persons a reasonable opportunity to present facts and arguments in support of their positions prior to any final administrative decision insofar as time, the nature of the proceedings and the public interest permit.

## **Article 338. Review and Appeal**

1. Each Party shall establish or maintain judicial, arbitral or administrative tribunals and procedures for the purpose of the prompt review and, if warranted, correction of administrative decisions. Each Party shall ensure that its tribunals carry out procedures for appeal or review in a non-discriminatory and impartial manner. Those tribunals shall be impartial and independent of the authority entrusted with administrative enforcement.
2. Each Party shall ensure that the parties to the proceedings as referred to in paragraph 1 are provided with a reasonable opportunity to support or defend their respective positions.
3. In accordance with its law, each Party shall ensure that any decisions adopted in proceedings as referred to in paragraph 1 are based on the evidence and submissions of record or, where applicable, on the record compiled by the competent administrative authority.
4. Each Party shall ensure that decisions as referred to in paragraph 3 shall be implemented by the authority entrusted with administrative enforcement, subject to appeal or further review as provided for in its law.

## **Article 339. Relation to other Titles**

The provisions set out in this Title supplement the specific transparency rules set out in those Titles of this Heading with respect to which this Title applies.

## **Title X. GOOD REGULATORY PRACTICES AND REGULATORY COOPERATION**

### **Article 340. General Principles**

1. Each Party shall be free to determine its approach to good regulatory practices under this Agreement in a manner consistent with its own legal framework, practice, procedures and fundamental principles (1) underlying its regulatory system.

(1) For the Union, such principles include the precautionary principle.

2. Nothing in this Title shall be construed as requiring a Party to:
  - (a) deviate from its domestic procedures for preparing and adopting regulatory measures;
  - (b) take actions that would undermine or impede the timely adoption of regulatory measures to achieve its public policy objectives; or
  - (c) achieve any particular regulatory outcome.
3. Nothing in this Title shall affect the right of a Party to define or regulate its own levels of protection in pursuit or furtherance of its public policy objectives in areas such as:
  - (a) public health;
  - (b) human, animal or plant life and health, and animal welfare;

- (c) occupational health and safety;
- (d) labour conditions;
- (e) environment including climate change;
- (f) consumer protection;
- (g) social protection and social security;
- (h) data protection and cybersecurity;
- (i) cultural diversity;
- (j) integrity and stability of the financial system, and protection of investors;
- (k) energy security; and
- (l) anti-money laundering.

For greater certainty, for the purposes of in particular point (c) and (d) of the first subparagraph, the different models of industrial relations, including the role and autonomy of social partners, as provided for in the law or national practices of a Party, shall continue to apply, including laws and practices concerning collective bargaining and the enforcement of collective agreements.

4. Regulatory measures shall not constitute a disguised barrier to trade.

## **Article 341. Definitions**

For the purposes of this Title, the following definitions apply:

(a) "regulatory authority" means:

(i) for the Union, the European Commission; and

(ii) for the United Kingdom, Her Majesty's Government of the United Kingdom of Great Britain and Northern Ireland, and the devolved administrations of the United Kingdom.

(b) "regulatory measures" means:

(i) for the Union:

(A) regulations and directives, as provided for in Article 288 TFEU; and

(B) implementing and delegated acts, as provided for in Articles 290 and 291 TFEU, respectively; and

(ii) for the United Kingdom:

(A) primary legislation; and

(B) secondary legislation.

## **Article 342. Scope**

1. This Title applies to regulatory measures proposed or issued, as relevant, by the regulatory authority of each Party in respect of any matter covered by Titles I to IX, Title XI and Title XII of this Heading and Heading Six.

2. Articles 351 and 352 also apply to other measures of general application issued or proposed by the regulatory authority of a Party in respect of any matter covered by the Titles referred to in paragraph 1 of this Article which are relevant to regulatory cooperation activities, such as guidelines, policy documents or recommendations.

3. This Title does not apply to regulatory authorities and regulatory measures, regulatory practices or approaches of the Member States,

4. Any specific provisions in the Titles referred to in paragraph 1 of this Article shall prevail over the provisions of this Title to the extent necessary for the application of the specific provisions.



## **Article 343. Internal Coordination**

Each Party shall have in place internal coordination or review processes or mechanisms with respect to regulatory measures that its regulatory authority is preparing. Such processes or mechanisms should seek, inter alia, to:

- (a) foster good regulatory practices, including those set forth in this Title;
- (b) identify and avoid unnecessary duplication and inconsistent requirements between the Party's own regulatory measures;
- (c) ensure compliance with the Party's international trade and investment obligations; and
- (d) promote the consideration of the impact of the regulatory measures under preparation, including the impact on small and medium-sized enterprises (1), in accordance with its respective rules and procedures.

(1) For the United Kingdom, "small and medium-sized enterprises" means small and micro-sized businesses.

## **Article 344. Description of Processes and Mechanisms**

Each Party shall make publicly available descriptions of the processes or mechanisms used by its regulatory authority to prepare, evaluate or review regulatory measures. Those descriptions shall refer to relevant rules, guidelines or procedures, including those regarding opportunities for the public to provide comments.

## **Article 345. Early Information on Planned Regulatory Measures**

1. Each Party shall make publicly available, in accordance with its respective rules and procedures on at least an annual basis, a list of planned major (1) regulatory measures that its regulatory authority reasonably expects to propose or adopt within a year. The regulatory authority of each Party may determine what constitutes a major regulatory measure for the purposes of its obligations under this Title.

2. With respect to each major regulatory measure included in the list referred to in paragraph 1, each Party should also make publicly available, as early as possible:

- (a) a brief description of its scope and objectives; and
- (b) if available, the estimated time for its adoption, including any opportunities for public consultation.

(1) In the case of the United Kingdom, major regulatory measures shall be understood as significant regulatory measures in accordance with the definition of such measures in the United Kingdom's rules and procedures.

## **Article 346. Public Consultation**

1. When preparing a major regulatory measure, each Party, in accordance with its respective rules and procedures, shall ensure that its regulatory authority:

- (a) publishes either the draft regulatory measure or consultation documents providing sufficient details about the regulatory measure under preparation to allow any person to assess whether and how that person's interests might be significantly affected;
- (b) offers, on a non-discriminatory basis, reasonable opportunities for any person to provide comments; and
- (c) considers the comments received.

2. Each Party shall ensure that its regulatory authority makes use of electronic means of communication and shall seek to maintain online services that are available to the public free of charge for the purposes of publishing the relevant regulatory measures or documents of the kind referred to in point (a) of paragraph 1 and of receiving comments related to public consultations.

3. Each Party shall ensure that its regulatory authority makes publicly available, in accordance with its respective rules and procedures, a summary of the results of the public consultations referred to in this Article.

## **Article 347. Impact Assessment**

1. Each Party affirms its intention to ensure that its regulatory authority carries out, in accordance with its respective rules and procedures, impact assessments for any major regulatory measures it prepares. Such rules and procedures may provide for exceptions.
2. When carrying out an impact assessment, each Party shall ensure that its regulatory authority has processes and mechanisms in place that promote the consideration of the following factors:
  - (a) the need for the regulatory measure, including the nature and the significance of the problem that the regulatory measure intends to address;
  - (b) any feasible and appropriate regulatory or non-regulatory options that would achieve the Party's public policy objectives, including the option of not regulating;
  - (c) to the extent possible and relevant, the potential social, economic and environmental impact of those options, including the impact on international trade and investment and, in accordance with its respective rules and procedures, the impact on small and medium-sized enterprises; and
  - (d) where appropriate, how the options under consideration relate to relevant international standards, including the reasons for any divergence.
3. With respect to an impact assessment that a regulatory authority has conducted for a regulatory measure, each Party shall ensure that its regulatory authority prepares a final report detailing the factors it considered in its assessment and its relevant findings. To the extent possible, each Party shall make such reports publicly available no later than when the proposal for a regulatory measure as referred to in point (b)(i)(A) or (b)(ii)(A) of Article 341 or a regulatory measure as referred to in point (b)(i)(B) or (b)(ii)(B) of that Article has been made publicly available.

## **Article 348. Retrospective Evaluation**

1. Each Party shall ensure that its regulatory authority has in place processes or mechanisms for the purpose of carrying out periodic retrospective evaluations of regulatory measures in force, where appropriate.
2. When conducting a periodic retrospective evaluation, each Party shall endeavour to consider whether there are opportunities to more effectively achieve its public policy objectives and to reduce unnecessary regulatory burdens, including on small and medium-sized enterprises.
3. Each Party shall ensure that its regulatory authority makes publicly available any existing plans for and the results of such retrospective evaluations.

## **Article 349. Regulatory Register**

Each Party shall ensure that regulatory measures that are in effect are published in a designated register that identifies regulatory measures and that is publicly available online free of charge. The register should allow searches for regulatory measures by citations or by word. Each Party shall periodically update its register.

## **Article 350. Exchange of Information on Good Regulatory Practices**

The Parties shall endeavour to exchange information on their good regulatory practices as set out in this Title, including in the Trade Specialised Committee on Regulatory Cooperation.

## **Article 351. Regulatory Cooperation Activities**

1. The Parties may engage in regulatory cooperation activities on a voluntary basis, without prejudice to the autonomy of their own decision-making and their respective legal orders. A Party may refuse to engage in or it may withdraw from regulatory cooperation activities. A Party that refuses to engage in or that withdraws from regulatory cooperation activities should explain the reasons for its decision to the other Party.
2. Each Party may propose a regulatory cooperation activity to the other Party. It shall present its proposal via the contact point designated in accordance with Article 353. The other Party shall review that proposal within a reasonable period and shall inform the proposing Party whether it considers the proposed activity to be suitable for regulatory cooperation.

3. In order to identify activities that are suitable for regulatory cooperation, each Party shall consider:

(a) the list referred to in Article 345(1); and

(b) proposals for regulatory cooperation activities submitted by persons of a Party that are substantiated and accompanied by relevant information.

4. If the Parties decide to engage in a regulatory cooperation activity, the regulatory authority of each Party shall endeavour, where appropriate:

(a) to inform the regulatory authority of the other Party about the preparation of new or the revision of existing regulatory measures and other measures of general application referred to in Article 342(2) that are relevant to the regulatory cooperation activity;

(b) on request, to provide information and discuss regulatory measures and other measures of general application referred to in Article 342(2) that are relevant to the regulatory cooperation activity; and

(c) when preparing new or revising existing regulatory measures or other measures of general application referred to in Article 342(2), consider, to the extent feasible, any regulatory approach by the other Party on the same or a related matter.

## **Article 352. Trade Specialised Committee on Regulatory Cooperation**

1. The Trade Specialised Committee on Regulatory Cooperation shall have the following functions:

(a) enhancing and promoting good regulatory practices and regulatory cooperation between the Parties;

(b) exchanging views with respect to the cooperation activities proposed or carried out under Article 351;

(c) encouraging regulatory cooperation and coordination in international fora, including, when appropriate, periodic bilateral exchanges of information on relevant ongoing or planned activities.

2. The Trade Specialised Committee on Regulatory Cooperation may invite interested persons to participate in its meetings.

## **Article 353. Contact Points**

Within a month after the entry into force of this Agreement, each Party shall designate a contact point to facilitate the exchange of information between the Parties.

## **Article 354. Non-application of Dispute Settlement**

Title I of Part Six does not apply in respect of disputes regarding the interpretation and application of this Title.

# **Title XI. LEVEL PLAYING FIELD FOR OPEN AND FAIR COMPETITION AND SUSTAINABLE DEVELOPMENT**

## **Chapter 1. GENERAL PROVISIONS**

### **Article 355. Principles and Objectives**

1. The Parties recognise that trade and investment between the Union and the United Kingdom under the terms set out in this Agreement, require conditions that ensure a level playing field for open and fair competition between the Parties and that ensure that trade and investment take place in a manner conducive to sustainable development.

2. The Parties recognise that sustainable development encompasses economic development, social development and environmental protection, all three being interdependent and mutually reinforcing, and affirm their commitment to promoting the development of international trade and investment in a way that contributes to the objective of sustainable development.

3. Each Party reaffirms its ambition of achieving economy-wide climate neutrality by 2050.

4. The Parties affirm their common understanding that their economic relationship can only deliver benefits in a mutually satisfactory way if the commitments relating to a level playing field for open and fair competition stand the test of time, by preventing distortions of trade or investment, and by contributing to sustainable development. However the Parties

recognise that the purpose of this Title is not to harmonise the standards of the Parties. The Parties are determined to maintain and improve their respective high standards in the areas covered by this Title.

## **Article 356. Right to Regulate, Precautionary Approach and Scientific and Technical Information (1)**

1. The Parties affirm the right of each Party to set its policies and priorities in the areas covered by this Title, to determine the levels of protection it deems appropriate and to adopt or modify its law and policies in a manner consistent with each Party's international commitments, including its commitments under this Title.
2. The Parties acknowledge that, in accordance with the precautionary approach, where there are reasonable grounds for concern that there are potential threats of serious or irreversible damage to the environment or human health, the lack of full scientific certainty shall not be used as a reason for preventing a Party from adopting appropriate measures to prevent such damage.
3. When preparing or implementing measures aimed at protecting the environment or labour conditions that may affect trade or investment, each Party shall take into account relevant and available scientific and technical information, international standards, guidelines and recommendations.

(1) For greater certainty, in relation to the implementation of this Agreement in the territory of the Union, the precautionary approach refers to the precautionary principle.

## **Article 357. Dispute Settlement**

Title I of Part Six does not apply to this Chapter, except for Article 356(2). Articles 408 and 409 apply to Article 355(3).

# **Chapter 2. COMPETITION POLICY**

## **Article 358. Principles and Definitions.**

1. The Parties recognise the importance of free and undistorted competition in their trade and investment relations. The Parties acknowledge that anticompetitive business practices may distort the proper functioning of markets and undermine the benefits of trade liberalisation.
2. For the purposes of this Chapter, an "economic actor" means an entity or a group of entities constituting a single economic entity, regardless of its legal status, that is engaged in an economic activity by offering goods or services on a market.

## **Article 359. Competition Law**

1. In recognition of the principles set out in Article 358, each Party shall maintain a competition law which effectively addresses the following anticompetitive business practices:
  - (a) agreements between economic actors, decisions by associations of economic actors and concerted practices which have as their object or effect the prevention, restriction or distortion of competition;
  - (b) abuse by one or more economic actors of a dominant position; and
  - (c) for the United Kingdom, mergers or acquisitions and, for the Union, concentrations, between economic actors which may have significant anticompetitive effects.
2. The competition law referred to in paragraph 1 shall apply to all economic actors irrespective of their nationality or ownership status.
3. Each Party may provide for exemptions from its competition law in pursuit of legitimate public policy objectives, provided that those exemptions are transparent and are proportionate to those objectives.

## **Article 360. Enforcement**

1. Each Party shall take appropriate measures to enforce its competition law in its territory.

2. Each Party shall maintain an operationally independent authority or authorities competent for the effective enforcement of its competition law.

3. Each Party shall apply its competition law in a transparent and non-discriminatory manner, respecting the principles of procedural fairness, including the rights of defence of the economic actors concerned, irrespective of their nationality or ownership status.

## **Article 361. Cooperation**

1. To achieve the objectives of this Chapter and to enhance the effective enforcement of their respective competition law, the Parties recognise the importance of cooperation between their respective competition authorities with regard to developments in competition policy and enforcement activities.

2. For the purposes of paragraph 1, the European Commission or the competition authorities of the Member States, on the one side, and the United Kingdom's competition authority or authorities, on the other side, shall endeavour to cooperate and coordinate, with respect to their enforcement activities concerning the same or related conduct or transactions, where doing so is possible and appropriate.

3. To facilitate the cooperation and coordination referred to in paragraphs 1 and 2, the European Commission and the competition authorities of the Member States, on the one side, and the United Kingdom's competition authority or authorities, on the other side, may exchange information to the extent permitted by each Party's law.

4. To implement the objectives of this Article, the Parties may enter into a separate agreement on cooperation and coordination between the European Commission, the competition authorities of the Member States and the United Kingdom's competition authority or authorities, which may include conditions for the exchange and use of confidential information.

## **Article 362. Dispute Settlement**

This Chapter shall not be subject to dispute settlement under Title I of Part Six.

# **Chapter 3. SUBSIDY CONTROL**

## **Article 363. Definitions**

1. For the purposes of this Chapter, the following definitions apply:

(a) "economic actor" means an entity or a group of entities constituting a single economic entity, regardless of its legal status, that is engaged in an economic activity by offering goods or services on a market;

(b) "subsidy" means financial assistance which:

(i) arises from the resources of the Parties, including:

(A) a direct or contingent transfer of funds such as direct grants, loans or loan guarantees;

(B) the forgoing of revenue that is otherwise due; or

(C) the provision of goods or services, or the purchase of goods or services;

(ii) confers an economic advantage on one or more economic actors;

(iii) is specific insofar as it benefits, as a matter of law or fact, certain economic actors over others in relation to the production of certain goods or services; and

(iv) has, or could have, an effect on trade or investment between the Parties.

2. For the purposes of point (b)(iii) of paragraph 1:

(a) a tax measure shall not be considered as specific unless:

(i) certain economic actors obtain a reduction in the tax liability that they otherwise would have borne under the normal taxation regime; and

(ii) those economic actors are treated more advantageously than others in a comparable position within the normal taxation regime; for the purposes of this point, a normal taxation regime is defined by its internal objective, by its features (such as the tax base, the taxable person, the taxable event or the tax rate) and by an authority which is autonomous institutionally, procedurally, economically and financially and has the competence to design the features of the taxation regime;

(b) notwithstanding point (a), a subsidy shall not be regarded as specific if it is justified by principles inherent to the design of the general system; in the case of tax measures, examples of such inherent principles are the need to fight fraud or tax evasion, administrative manageability, the avoidance of double taxation, the principle of tax neutrality, the progressive nature of income tax and its redistributive purpose, or the need to respect taxpayers' ability to pay;

(c) notwithstanding point (a), special purpose levies shall not be regarded as specific if their design is required by non-economic public policy objectives, such as the need to limit the negative impacts of certain activities or products on the environment or human health, insofar as the public policy objectives are not discriminatory (1).

(1) For this purpose, discrimination means that there is less favourable treatment of an economic actor compared with others in like situations and that that differential treatment is not justified by objective criteria.

## **Article 364. Scope and Exceptions**

1. Articles 366, 367 and 374 do not apply to subsidies granted to compensate the damage caused by natural disasters or other exceptional non-economic occurrences.
2. Nothing in this Chapter prevents the Parties from granting subsidies of a social character that are targeted at final consumers.
3. Subsidies that are granted on a temporary basis to respond to a national or global economic emergency shall be targeted, proportionate and effective in order to remedy that emergency. Articles 367 and 374 do not apply to such subsidies.
4. This Chapter does not apply to subsidies where the total amount granted to a single economic actor is below 325 000 Special Drawing Rights over any period of three fiscal years. The Partnership Council may amend this threshold.
5. This Chapter does not apply to subsidies that are subject to the provisions of Part IV or Annex 2 of the Agreement on Agriculture and subsidies related to trade in fish and fish products.
6. This Chapter does not apply to subsidies related to the audio-visual sector.
7. Article 371 does not apply to subsidies financed by resources of a Party at supranational level.
8. For the purposes of subsidies to air carriers, any reference to "effect on trade or investment between the Parties" in this Chapter shall be read as "effect on competition between air carriers of the Parties in the provision of air transport services", including those air transport services not covered under Title I of Heading Two.

## **Article 365. Services of Public Economic Interest**

1. Subsidies granted to economic actors assigned with particular tasks in the public interest, including public service obligations, are subject to Article 366 insofar as the application of the principles set out in that Article does not obstruct the performance in law or fact of the particular task assigned to the economic actor concerned. The task shall be assigned in advance in a transparent manner.
2. The Parties shall ensure that the amount of compensation granted to an economic actor that is assigned with a task in the public interest is limited to what is necessary to cover all or part of the costs incurred in the discharge of that task, taking into account the relevant receipts and a reasonable profit for discharging that task. The Parties shall ensure that the compensation granted is not used to cross-subsidise activities falling outside the scope of the assigned task. Compensation below 15 million Special Drawing Rights per task shall not be subject to the obligations under Article 369, The Partnership Council may amend this threshold.
3. This Chapter does not apply where the total compensation to an economic actor providing tasks in the public interest is below 750 000 Special Drawing Rights over any period of three fiscal years. The Partnership Council may amend this threshold.

## **Article 366. Principles**

1. With a view to ensuring that subsidies are not granted where they have or could have a material effect on trade or investment between the Parties, each Party shall have in place and maintain an effective system of subsidy control that ensures that the granting of a subsidy respects the following principles:

(a) subsidies pursue a specific public policy objective to remedy an identified market failure or to address an equity rationale such as social difficulties or distributional concerns ("the objective");

(b) subsidies are proportionate and limited to what is necessary to achieve the objective;

(c) subsidies are designed to bring about a change of economic behaviour of the beneficiary that is conducive to achieving the objective and that would not be achieved in the absence of subsidies being provided;

(d) subsidies should not normally compensate for the costs the beneficiary would have funded in the absence of any subsidy;

(e) subsidies are an appropriate policy instrument to achieve a public policy objective and that objective cannot be achieved through other less distortive means;

(f) subsidies' positive contributions to achieving the objective outweigh any negative effects, in particular the negative effects on trade or investment between the Parties.

2. Without prejudice to paragraph 1 of this Article, each Party shall apply the conditions set out in Article 367, where relevant, if the subsidies concerned have or could have a material effect on trade or investment between the Parties.

3. It is for each Party to determine how its obligations under paragraphs 1 and 2 are implemented in the design of its subsidy control system in its own domestic law, provided that each Party shall ensure that the obligations under paragraphs 1 and 2 are implemented in its law in such a manner that the legality of an individual subsidy will be determined by the principles.

## **Article 367. Prohibited Subsidies and Subsidies Subject to Conditions**

1. The categories of the subsidies referred to in Article 366(2) and the conditions to be applied to them are as follows. The Partnership Council may update these provisions as necessary to ensure the operation of this Article over time.

Subsidies in the form of unlimited guarantees

2. Subsidies in the form of a guarantee of debts or liabilities of an economic actor without any limitation as to the amount of those debts and liabilities or the duration of that guarantee shall be prohibited.

Rescue and restructuring

3. Subsidies for restructuring an ailing or insolvent economic actor without the economic actor having prepared a credible restructuring plan shall be prohibited. The restructuring plan shall be based on realistic assumptions with a view to ensuring the return to long-term viability of the ailing or insolvent economic actor within a reasonable time period. During the preparation of the restructuring plan, the economic actor may receive temporary liquidity support in the form of loans or loan guarantees. Except for small and medium-sized enterprises, an economic actor or its owners, creditors or new investors shall contribute significant funds or assets to the cost of restructuring. For the purposes of this paragraph, an ailing or insolvent economic actor is one that would almost certainly go out of business in the short to medium term without the subsidy.

4. Other than in exceptional circumstances, subsidies for the rescue and restructuring of insolvent or ailing economic actors should only be allowed if they contribute to an objective of public interest by avoiding social hardship or preventing a severe market failure, in particular with regard to job losses or disruption of an important service that is difficult to replicate. Except in the case of unforeseeable circumstances not caused by the beneficiary, they should not be granted more than once in any five year period.

5. Paragraphs 3 and 4 do not apply to subsidies to ailing or insolvent banks, credit institutions and insurance companies.

Banks, credit institutions and insurance companies

6. Without prejudice to Article 184, subsidies to restructure banks, credit institutions and insurance companies may only be granted on the basis of a credible restructuring plan that restores long-term viability. If a return to long-term viability cannot be credibly demonstrated, any subsidy to banks, credit institutions and insurance companies shall be limited to what is needed to ensure their orderly liquidation and exit from the market while minimising the amount of the subsidy and its

negative effect on trade or investment between the Parties.

7. It shall be ensured that the granting authority is properly remunerated for the restructuring subsidy and that the beneficiary, its shareholders, its creditors or the business group to which the beneficiary belongs, contribute significantly to the restructuring or liquidation costs from their own resources. Subsidies to support liquidity provisions shall be temporary, shall not be used to absorb losses and shall not become capital support. Proper remuneration shall be paid to the granting authority for the subsidies granted to support liquidity provisions.

#### Export subsidies

8. Subsidies that are contingent in law or in fact (1), whether solely or as one of several other conditions, upon export performance relating to goods or services, shall be prohibited, except in relation to:

(1) For greater certainty, this standard is met when the facts demonstrate that the granting of a subsidy, without having been made legally contingent upon export performance, is in fact tied to actual or anticipated exportation or export earnings. The mere fact that a subsidy is granted to economic actors which export shall not for that reason alone be considered to be an export subsidy within the meaning of this provision.

(a) short-term credit insurance for non-marketable risks; or

(b) export credits and export credit guarantee or insurance programmes that are permissible in accordance with the SCM Agreement, read with any adjustments necessary for context.

9. For the purposes of point (a) of paragraph 8, "marketable risk" means commercial and political risks with a maximum risk period of less than two years on public and non-public buyers in marketable risk countries (1). A country may be understood to be temporarily removed from the group of marketable risk countries if there is a lack of sufficient private market capacity because of:

(1) The marketable risk countries are the United Kingdom, the Member States of the Union, Australia, Canada, Iceland, Japan, New Zealand, Norway, Switzerland, and the United States of America.

(a) a significant contraction of private credit insurance capacity;

(b) a significant deterioration of sovereign sector rating; or

(c) a significant deterioration of corporate sector performance.

10. Such temporary removal of a marketable risk country shall take effect, as far as a Party is concerned, in accordance with a decision of that Party on the basis of the criteria in paragraph 9, and only if that Party adopts such a decision. The publication of that decision shall be deemed to constitute notice to the other Party of such temporary removal as far as the former Party is concerned.

11. If a subsidised insurer provides export credit insurance, any insurance for marketable risks shall be provided on a commercial basis. In such a case, the insurer shall not directly or indirectly benefit from subsidies for the provision of insurance for marketable risks.

#### Subsidies contingent upon the use of domestic content

12. Without prejudice to Articles 132 and 133, subsidies contingent, whether solely or as one of several other conditions, upon the use of domestic over imported goods or services shall be prohibited.

#### Large cross-border or international cooperation projects

13. Subsidies may be granted in the context of large cross-border or international cooperation projects, such as those for transport, energy, the environment, research and development, and first deployment projects to incentivise the emergence and deployment of new technologies (excluding manufacturing). The benefits of such cross-border or international cooperation projects must not be limited to the economic actors or to the sector or the States participating, but must have wider benefit and relevance through spillover effects that do not exclusively accrue to the State that grants the subsidy, the relevant sector and beneficiary.

#### Energy and environment



14. The Parties recognise the importance of a secure, affordable and sustainable energy system and environmental sustainability, notably in relation to the fight against climate change which represents an existential threat to humanity. Therefore, without prejudice to Article 366, subsidies in relation to energy and environment shall be aimed at, and incentivise the beneficiary in, delivering a secure, affordable and sustainable energy system and a well-functioning and competitive energy market or increasing the level of environmental protection compared to the level that would be achieved in absence of the subsidy. Such subsidies shall not relieve the beneficiary from liabilities arising from its responsibilities as a polluter under the law of the relevant Party.

Subsidies to air carriers for the operation of routes

15. Subsidies shall not be granted to an air carrier (1) for the operation of routes except:

- (a) where there is a public service obligation, in accordance with Article 365;
- (b) in special cases where this funding provides benefits for society at large; or
- (c) as start-up subsidies for opening new routes to regional airports provided that such subsidies increase the mobility of citizens and stimulate regional development.

(1) For greater certainty, this is without prejudice to Article 364(1) and (2).

## **Article 368. Use of Subsidies**

Each Party shall ensure that economic actors use subsidies only for the specific purpose for which they are granted.

## **Article 369. Transparency**

1. With respect to any subsidy granted or maintained within its territory, each Party shall within six months from the granting of the subsidy make publicly available, on an official website or a public database, the following information:

- (a) the legal basis and policy objective or purpose of the subsidy;
- (b) the name of the recipient of the subsidy when available;
- (c) the date of the grant of the subsidy, the duration of the subsidy and any other time limits attached to the subsidy; and
- (d) the amount of the subsidy or the amount budgeted for the subsidy.

2. For subsidies in the form of tax measures, information shall be made public within one year from the date the tax declaration is due. The transparency obligations for subsidies in the form of tax measures concern the same information as listed in paragraph 1, except for the information required under point (d) of that paragraph, which may be provided as a range.

3. In addition to the obligation set out in paragraph 1, the Parties shall make subsidy information available in accordance with paragraph 4 or 5.

4. For the Union, compliance with paragraph 3 of this Article means that with respect to any subsidy granted or maintained within its territory, within six months from the grant of the subsidy, information is made publicly available, on an official website or a public database, that allows interested parties to assess compliance with the principles set out in Article 366.

5. For the United Kingdom, compliance with paragraph 3 means that the United Kingdom shall ensure that:

- (a) if an interested party communicates to the granting authority that it may apply for a review by a court or tribunal of:
  - (i) the grant of a subsidy by a granting authority; or
  - (ii) any relevant decision by the granting authority or the independent body or authority;
- (b) then, within 28 days of the request being made in writing, the granting authority, independent body or authority shall provide that interested party with the information that allows the interested party to assess the application of the principles set out in Article 366, subject to any proportionate restrictions which pursue a legitimate objective, such as commercial sensitivity, confidentiality or legal privilege.

The information referred to in point (b) of the first subparagraph shall be provided to the interested party for the purposes

of enabling it to make an informed decision as to whether to make a claim or to understand and properly identify the issues in dispute in the proposed claim.

6. For the purposes of this Article and Articles 372 and 373, "interested party" means any natural or legal person, economic actor or association of economic actors whose interest might be affected by the granting of a subsidy, in particular the beneficiary, economic actors competing with the beneficiary or relevant trade associations.

7. The obligations in this Article are without prejudice to the obligations of the Parties under their respective laws concerning the freedom of information or access to documents.

## **Article 370. Consultations on Subsidy Control**

1. If a Party considers that a subsidy has been granted by the other Party or that there is clear evidence that the other Party intends to grant a subsidy and that the granting of the subsidy has or could have a negative effect on trade or investment between the Parties, it may request to the other Party to provide an explanation of how the principles set out in Article 366 have been respected with regard to that subsidy.

2. A Party may also request the information listed in Article 369(1) to the extent that the information has not already been made publicly available on an official website or a public database as referred to in Article 369(1), or to the extent that the information has not been made available in an easily and readily accessible manner.

3. The other Party shall provide the requested information in writing no later than 60 days of the receipt of the request. If any requested information cannot be provided, that Party shall explain the absence of such information in its written response.

4. If after receiving the information requested, the requesting Party still considers that the subsidy granted or intended to be granted by the other Party has or could have a negative effect on trade or investment between the Parties, the requesting Party may request consultations within the Trade Specialised Committee on Level Playing Field for Open and Fair Competition and Sustainable Development. The request shall be in writing and shall include an explanation of the requesting Party's reasons for requesting the consultation.

5. The Trade Specialised Committee on Level Playing Field for Open and Fair Competition and Sustainable Development shall make every attempt to arrive at a mutually satisfactory resolution of the matter. It shall hold its first meeting within 30 days of the request for consultation.

6. The timeframes for the consultations referred to in paragraphs 3 and 5 may be extended by agreement between the Parties.

## **Article 371. Independent Authority or Body and Cooperation**

1. Each Party shall establish or maintain an operationally independent authority or body with an appropriate role in its subsidy control regime. That independent authority or body shall have the necessary guarantees of independence in exercising its operational functions and shall act impartially.

2. The Parties shall encourage their respective independent authorities or bodies to cooperate with each other on issues of common interest within their respective functions, including the application of Articles 363 to 369 as applicable, within the limits established by their respective legal frameworks. The Parties, or their respective independent authorities or bodies, may agree upon a separate framework regarding cooperation between those independent authorities.

## **Article 372. Courts and Tribunals**

1. Each Party shall ensure, in accordance with its general and constitutional laws and procedures, that its courts or tribunals are competent to:

(a) review subsidy decisions taken by a granting authority or, where relevant, the independent authority or body for compliance with that Party's law implementing Article 366;

(b) review any other relevant decisions of the independent authority or body and any relevant failure to act;

(c) impose remedies that are effective in relation to point (a) or (b), including the suspension, prohibition or requirement of action by the granting authority, the award of damages, and the recovery of a subsidy from its beneficiary, if and to the extent that those remedies are available under the respective laws on the date of entry into force of this Agreement;

(d) hear claims from interested parties in respect of subsidies that are subject to this Chapter where an interested party has standing to bring a claim in respect of a subsidy under that Party's law.

2. Each Party shall have the right to intervene with the permission, where required, of the court or tribunal concerned, in accordance with the general laws and procedures of the other Party in cases referred to in paragraph 1.

3. Without prejudice to the obligations to maintain or, where necessary, to create the competencies, remedies and rights of intervention referred to in paragraphs 1 and 2 of this Article, and Article 373, nothing in this Article requires either Party to create rights of action, remedies, procedures, or widen the scope or grounds of review of decisions of their respective public authorities, beyond those existing under its law on the date of entry into force of this Agreement.

4. Nothing in this Article requires either Party to widen the scope or grounds of review by its courts and tribunals of Acts of the United Kingdom Parliament, of acts of the European Parliament and the Council of the European Union, or of acts of the Council of the European Union beyond those existing under its law on the date of entry into force of this Agreement. (1)

(1) For greater certainty, the law of the United Kingdom for the purposes of this Article does not include any law [i] having effect by virtue of section 2(1) of the European Communities Act 1972, as saved by section 1A of the European Union (Withdrawal) Act 2018, or [ii] passed or made under, or for a purpose specified in, section 2(2) of the European Communities Act 1972.

## **Article 373. Recovery**

1. Each Party shall have in place an effective mechanism of recovery in respect of subsidies in accordance with the following provisions, without prejudice to other remedies that exist in that Party's law. (1)

(1) For the United Kingdom, this Article requires a new remedy of recovery which would be available at the end of a successful judicial review, in accordance with the standard of review under national law, commenced within the specified time period; such review is not expanded in any other way, in accordance with Article 372(3). No beneficiary would be able to raise a legitimate expectation to resist such recovery.

2. Each Party shall ensure that, provided that the interested party as defined in Article 369 has challenged a decision to grant a subsidy before a court or a tribunal within the specified time period, as defined in paragraph 3 of this Article, recovery may be ordered if a court or tribunal of a Party makes a finding of a material error of law, in that:

(a) a measure constituting a subsidy was not treated by the grantor as a subsidy;

(b) the grantor of a subsidy has failed to apply the principles set out in Article 366, as implemented in that Party's law, or applied them in a manner which falls below the standard of review applicable in that Party's law; or

(c) the grantor of a subsidy has, by deciding to grant that subsidy, acted outside the scope of its powers or misused those powers in relation to the principles set out in Article 366, as implemented in that Party's law.

3. For the purposes of this Article, the specified time period shall be determined as follows:

(a) for the Union, it shall commence on the date on which information specified in Article 369(1), (2) and (4) was made available on the official website or public database and be no shorter than one month.

(b) for the United Kingdom:

(i) it shall commence on the date on which information specified in Article 369(1) and (2) was made available on the official website or public database;

(ii) it shall terminate one month later, unless, prior to that date, the interested party has requested information under the process specified in Article 369(5);

(iii) once the interested party has received the information identified in point (b) of Article 369(5) sufficient for the purposes identified in Article 369(5), there shall be a further one month period at the end of which the specified time period shall terminate;

(iv) the date of receipt of the information in point (iii) will be the date on which the granting authority certifies that it has provided the information identified in point (b) of Article 369(5) sufficient for those purposes, irrespective of further or clarificatory correspondence after that date;

(v) the time periods identified in points (i), (ii) and (iii) may be increased by legislation.

4. For the purposes of point (b) of paragraph 3 in relation to schemes, the specified time period commences when the information under point (b) of this paragraph is published, not when subsequent payments are made, where:

(a) a subsidy is ostensibly granted in accordance with the terms of a scheme;

(b) the maker of the scheme has made publicly available the information required to be published by Article 369(1) and (2) in respect of the scheme; and

(c) the information provided about the scheme under point (b) of this paragraph contains information about the subsidy that would enable an interested party to determine whether it may be affected by the scheme, which at a minimum shall cover the purpose of the subsidy, the categories of beneficiary, the terms and conditions of eligibility for the subsidy and the basis for the calculation of the subsidy (including any relevant conditions relating to subsidy ratios or amounts).

5. For the purposes of this Article, recovery of a subsidy is not required where a subsidy is granted on the basis of an Act of the Parliament of the United Kingdom, of an act of the European Parliament and of the Council of the European Union or of an act of the Council of the European Union.

6. Nothing in this Article prevents a Party from choosing to provide additional situations where recovery is a remedy, beyond those specified in this Article, in accordance with its law.

7. The Parties recognise that recovery is an important remedial tool in any system of subsidy control. At the request of either Party, the Parties shall within the Partnership Council consider additional or alternative mechanisms for recovery, as well as corresponding amendments to this Article. Within the Partnership Council, either Party may propose amendments to allow for different arrangements for their respective mechanisms for recovery. A Party shall consider a proposal made by the other Party in good faith and agree to it, provided that that Party considers that it contains arrangements which represent at least as effective a means of securing recovery as the existing mechanisms of the other Party. The Partnership Council may then make corresponding amendments to this Article. (1)

(1) The Parties note that the United Kingdom will implement a new system of subsidy control subsequent to the entry into force of this Agreement.

## **Article 374. Remedial Measures**

1. A Party may deliver to the other Party a written request for information and consultations regarding a subsidy that it considers causes, or there is a serious risk that it will cause, a significant negative effect on trade or investment between the Parties. The requesting Party should provide in that request all relevant information to enable the Parties to find a mutually acceptable solution, including a description of the subsidy and the concerns of the requesting Party regarding its effect on trade or investment.

2. No later than 30 days from the date of delivery of the request, the requested Party shall deliver a written response providing the requested information to the requesting Party, and the Parties shall enter into consultations, which shall be deemed concluded 60 days from the date of delivery of that request, unless the Parties agree otherwise. Such consultations, and in particular all information designated as confidential and positions taken by the Parties during consultations, shall be confidential and shall be without prejudice to the rights of either Party in any further proceedings.

3. No earlier than 60 days from the date of delivery of the request referred to in paragraph 1, the requesting Party may unilaterally take appropriate remedial measures if there is evidence that a subsidy of the requested Party causes, or there is a serious risk that it will cause, a significant negative effect on trade or investment between the Parties.

4. No earlier than 45 days from the date of delivery of the request referred to in paragraph 1, the requesting Party shall notify the requested Party of the remedial measures that it intends to take in accordance with paragraph 3. The requesting Party shall provide all relevant information in relation to the measures that it intends to take to enable the Parties to find a mutually acceptable solution. The requesting Party may not take those remedial measures earlier than 15 days from the date of delivery of the notification of those measures to the requested Party.

5. A Party's assessment of the existence of a serious risk of a significant negative effect shall be based on facts and not merely on allegation, conjecture or remote possibility. The change in circumstances that would create a situation in which the subsidy would cause such a significant negative effect must be clearly predictable.

6. A Party's assessment of the existence of a subsidy or of a significant negative effect on trade or investment between the Parties caused by the subsidy shall be based on reliable evidence and not merely on conjecture or remote possibility, and

shall relate to identifiable goods, service suppliers or other economic actors, including, if relevant, in the case of subsidy schemes.

7. The Partnership Council may maintain an illustrative list of what would amount to a significant negative effect on trade or investment between the Parties within the meaning of this Article. This shall be without prejudice to the right of the Parties to take remedial measures.

8. The remedial measures taken pursuant to paragraph 3 shall be restricted to what is strictly necessary and proportionate in order to remedy the significant negative effect caused or to address the serious risk of such an effect. Priority shall be given to measures that will least disturb the functioning of this Agreement.

9. Within five days from the date on which the remedial measures referred to in paragraph 3 enter into effect and without having prior recourse to consultations in accordance with Article 738, the notified Party may request, in accordance with Article 739(2), the establishment of an arbitration tribunal by means of a written request delivered to the requesting Party in order for the arbitration tribunal to decide whether:

(a) a remedial measure taken by the requesting Party is inconsistent with paragraph 3 or 8;

(b) the requesting Party did not participate in the consultations after the requested Party delivered the requested information and agreed to the holding of such consultations; or

(c) there was a failure to take or notify a remedial measure in accordance with the time periods referred to in paragraph 3 or 4 respectively.

That request shall not have a suspensive effect on the remedial measures. Furthermore, the arbitration tribunal shall not assess the application by the Parties of Articles 366 and 367.

10. The arbitration tribunal established following the request referred to in paragraph 9 of this Article shall conduct its proceedings in accordance with Article 760 and deliver its final ruling within 30 days from its establishment.

11. In the case of a finding against the respondent Party, the respondent Party shall, at the latest 30 days from the date of delivery of the ruling of the arbitration tribunal, deliver a notification to the complaining Party of any measure that it has taken to comply with that ruling.

12. Following a finding against the respondent Party in the procedure referred to in paragraph 10 of this Article, the complaining Party may request the arbitration tribunal, within 30 days from its ruling, to determine a level of suspension of obligations under this Agreement or a supplementing agreement not exceeding the level equivalent to the nullification or impairment caused by the application of the remedial measures, if it finds that the inconsistency of the remedial measures with paragraph 3 or 8 of this Article is significant. The request shall propose a level of suspension of obligations in accordance with the principles set out in Article 761. The complaining Party may suspend obligations under this Agreement or a supplementing agreement in accordance with the level of suspension of obligations determined by the arbitration tribunal. Such suspension shall not be applied sooner than 15 days following such ruling.

13. A Party shall not invoke the WTO Agreement or any other international agreement to preclude the other Party from taking measures pursuant to this Article, including where those measures consist in the suspension of obligations under this Agreement or under a supplementing agreement.

14. For the purposes of assessing whether imposing or maintaining remedial measures on imports of the same product is restricted to what is strictly necessary or proportionate for the purposes of this Article, a Party:

(a) shall take into account countervailing measures applied or maintained pursuant to Article 32(3); and

(b) may take into account anti-dumping measures applied or maintained pursuant to Article 32(3).

15. A Party shall not apply simultaneously a remedial measure under this Article and a rebalancing measure under Article 411 to remedy the impact on trade or investment caused directly by the same subsidy.

16. If the Party against which remedial measures were taken does not submit a request pursuant to paragraph 9 of this Article within the time period laid down in that paragraph, that Party may initiate the arbitration procedure referred to in Article 739 to challenge a remedial measure on the grounds set out in paragraph 9 of this Article without having prior recourse to consultations in accordance with Article 738. An arbitration tribunal shall treat the issue as a case of urgency for the purpose of Article 744.

17. For the purposes of the proceedings under paragraphs 9 and 16, in assessing whether a remedial measure is strictly necessary or proportionate, the arbitration tribunal shall pay due regard to the principles set out in paragraphs 5 and 6, as

well as to paragraphs 13, 14 and 15.

## **Article 375. Dispute Settlement**

1. Subject to paragraphs 2 and 3 of this Article, Title I of Part Six applies to disputes between the Parties concerning the interpretation and application of this Chapter, except for Articles 371 and 372.

2. An arbitration tribunal shall have no jurisdiction regarding:

(a) an individual subsidy, including whether such a subsidy has respected the principles set out in Article 366(1), other than with regard to the conditions set out in Article 367(2), Article 367(3), (4) and (5), Article 367(8) to (11) and Article 367(12); and

(b) whether the recovery remedy within the meaning of Article 373 has been correctly applied in any individual case.

3. Title I of Part Six shall apply to Article 374 in accordance with that Article and Article 760.

## **Chapter 4. STATE-OWNED ENTERPRISES, ENTERPRISES GRANTED SPECIAL RIGHTS OR PRIVILEGES AND DESIGNATED MONOPOLIES**

### **Article 376. Definitions**

For the purposes of this Chapter, the following definitions apply:

"Arrangement" means the Arrangement on Officially Supported Export Credits, developed within the framework of the OECD or a successor undertaking, whether developed within or outside of the OECD framework, that has been adopted by at least 12 original WTO Members that were Participants to the Arrangement as of 1 January 1979;

"commercial activities" means activities, the end result of which is the production of a good or the supply of a service to be sold in the relevant market in quantities and at prices determined by an enterprise on the basis of the conditions of supply and demand, and which are undertaken with an orientation towards profit-making; activities undertaken by an enterprise which operates on a non-profit basis or a cost-recovery basis are not activities undertaken with an orientation towards profit-making;

(c) "commercial considerations" means considerations of price, quality, availability, marketability, transportation and other terms and conditions of purchase or sale, or other factors that would normally be taken into account in the commercial decisions of a privately owned enterprise operating according to market economy principles in the relevant business or industry;

(d) "covered entity" means:

(i) a designated monopoly;

(ii) an enterprise granted special rights or privileges; or

(iii) a State-owned enterprise;

(e) "designated monopoly" means an entity, including a consortium or a government agency, that, in a relevant market in the territory of a Party, is designated as the sole supplier or purchaser of a good or service, but does not include an entity that has been granted an exclusive intellectual property right solely by reason of such grant; in this context, designate means to establish or authorise a monopoly, or to expand the scope of a monopoly to cover an additional good or service;

(f) "enterprise" means enterprise as defined in point (g) of Article 124;

(g) "enterprise granted special rights or privileges" means any enterprise, public or private, to which a Party has granted special rights or privileges, in law or in fact;

(h) "service supplied in the exercise of governmental authority" means a service supplied in the exercise of governmental authority as defined in GATS;

(i) "special rights or privileges" means rights or privileges by which a Party designates or limits to two or more the number of enterprises authorised to supply a good or service, other than according to objective, proportional and non-discriminatory criteria, substantially affecting the ability of any other enterprise to supply the same good or service in the same geographical area or product market under substantially equivalent conditions;

(j) "State-owned enterprise" means an enterprise in which a Party:

(i) directly owns more than 50 % of the share capital;

(ii) controls, directly or indirectly, the exercise of more than 50 % of the voting rights;

(iii) holds the power to appoint a majority of the members of the board of directors or any other equivalent management body; or

(iv) has the power to exercise control over the enterprise. For the establishment of control, all relevant legal and factual elements shall be taken into account on a case-by-case basis.

## **Article 377. Scope**

1. This Chapter applies to covered entities, at all levels of government, engaged in commercial activities. If a covered entity engages in both commercial and non-commercial activities, only the commercial activities are covered by this Chapter.

2. This Chapter does not apply to:

(a) covered entities when acting as procuring entities, as defined in each Party's Annexes 1 to 3 to Appendix I to the GPA and paragraph 1 of each Party's respective subsections of Section B of Annex 25, conducting covered procurement as defined in Article 277(2);

(b) any service supplied in the exercise of governmental authority.

3. This Chapter does not apply to a covered entity, if in any one of the three previous consecutive fiscal years the annual revenue derived from the commercial activities of the enterprise or monopoly concerned was less than 100 million Special Drawing Rights.

4. Article 380 does not apply to the supply of financial services by a covered entity pursuant to a government mandate, if that supply of financial services:

(a) supports exports or imports, provided that those services are:

(i) not intended to displace commercial financing; or

(ii) offered on terms no more favourable than those that could be obtained for comparable financial services in the commercial market; or

(b) supports private investment outside the territory of the Party, provided that those services are:

(i) not intended to displace commercial financing; or

(ii) offered on terms no more favourable than those that could be obtained for comparable financial services in the commercial market; or

(c) is offered on terms consistent with the Arrangement, if the supply of those services falls within the scope of the Arrangement.

5. Without prejudice to paragraph 3 of this Article, Article 380 does not apply to the following sectors: audio-visual services; national maritime cabotage (60); and inland waterways transport, as set out in Article 123(5).

6. Article 380 does not apply to the extent that a covered entity of a Party makes purchases or sales of goods or services pursuant to:

(a) any existing non-conforming measure that the Party maintains, continues, renews or amends in accordance with Article 133(1) or 139(1) as set out in its Schedules to Annexes 19 and 20, as applicable; or

(b) any non-conforming measure that the Party adopts or maintains with respect to sectors, subsectors, or activities in accordance with Article 133(2) or 139(2) as set out in its Schedules to Annexes 19 and 20, as applicable.

## **Article 378. Relationship with the WTO Agreement**

The Parties affirm their rights and obligations under paragraphs 1 to 3 of Article XVII of GATT 1994, the Understanding on the Interpretation of Article XVII of the GATT 1994, as well as under paragraphs 1, 2 and 5 of Article VIII of GATS.

## **Article 379. General Provisions**

1. Without prejudice to the rights and obligations of each Party under this Chapter, nothing in this Chapter prevents a Party from establishing or maintaining a covered entity.
2. Neither Party shall require or encourage a covered entity to act in a manner inconsistent with this Chapter.

## **Article 380. Non-discriminatory Treatment and Commercial Considerations**

1. Each Party shall ensure that each of its covered entities, when engaging in commercial activities:
  - (a) acts in accordance with commercial considerations in its purchase or sale of a good or service, except to fulfil any terms of its public service mandate that are not inconsistent with point (b) or (c);
  - (b) in its purchase of a good or service:
    - (i) accords to a good or service supplied by an enterprise of the other Party treatment no less favourable than it accords to a like good or a like service supplied by enterprises of the Party; and
    - (ii) accords to a good or service supplied by a covered entity in the Party's territory treatment no less favourable than it accords to a like good or a like service supplied by enterprises of the Party in the relevant market in the Party's territory; and
  - (c) in its sale of a good or service:
    - (i) accords to an enterprise of the other Party treatment no less favourable than it accords to enterprises of the Party; and
    - (ii) accords to a covered entity in the Party's territory, treatment no less favourable than it accords to enterprises of the Party in the relevant market in the Party's territory. (1)

(1) For greater certainty, this paragraph shall not apply with respect to the purchase or sale of shares, stock or other forms of equity by a covered entity as a means of its equity participation in another enterprise.

2. Points (b) and (c) of paragraph 1 do not preclude a covered entity from:
  - (a) purchasing or supplying goods or services on different terms or conditions, including terms or conditions relating to price, provided that those different terms or conditions are in accordance with commercial considerations; or
  - (b) refusing to purchase or supply goods or services, provided that such refusal is made in accordance with commercial considerations.

## **Article 381. Regulatory Framework**

1. Each Party shall respect and make best use of relevant international standards including the OECD Guidelines on Corporate Governance of State-Owned Enterprises.
2. Each Party shall ensure that any regulatory body, and any other body exercising a regulatory function, that that Party establishes or maintains:
  - (a) is independent from, and not accountable to, any of the enterprises regulated by that body; and
  - (b) in like circumstances, acts impartially with respect to all enterprises regulated by that body, including covered entities; the impartiality with which the body exercises its regulatory functions is to be assessed by reference to a general pattern or practice of that body.

For those sectors in which the Parties have agreed to specific obligations relating to such a body in this Agreement, the relevant provisions of this Agreement shall prevail.

3. Each Party shall apply its laws and regulations to covered entities in a consistent and non-discriminatory manner.

## **Article 382. Information Exchange**

1. A Party which has reason to believe that its interests under this Chapter are being adversely affected by the commercial



activities of an entity of the other Party may request the other Party in writing to provide information on the commercial activities of that entity related to the carrying out of the provisions of this Chapter in accordance with paragraph 2.

2. Provided that the request referred to in paragraph 1 includes an explanation of how the activities of the entity may be affecting the interests of the requesting Party under this Chapter and indicates which of the following categories of information is or are to be provided, the requested Party shall provide the information so requested:

(a) the ownership and the voting structure of the entity, indicating the cumulative percentage of shares and the percentage of voting rights that the requested Party and its covered entities cumulatively have in the entity;

(b) a description of any special shares or special voting or other rights that the requested Party or its covered entities hold, to the extent that such rights are different from those attached to the general common shares of the entity;

(c) a description of the organisational structure of the entity and the composition of its board of directors or of any equivalent body;

(d) a description of the government departments or public bodies which regulate or monitor the entity, a description of the reporting requirements imposed on it by those departments or public bodies, and the rights and practices of those departments or public bodies with respect to the appointment, dismissal or remuneration of senior executives and members of its board of directors or any equivalent body;

(e) the annual revenue and total assets of the entity over the most recent three-year period for which information is available;

(f) any exemptions, immunities and related measures from which the entity benefits under the laws and regulations of the requested Party;

(g) any additional information regarding the entity that is publicly available, including annual financial reports and third-party audits.

3. Paragraphs 1 and 2 do not require a Party to disclose confidential information the disclosure of which would be inconsistent with its laws and regulations, would impede law enforcement, or otherwise would be contrary to the public interest or would prejudice the legitimate commercial interests of particular enterprises.

4. If the requested information is not available, the requested Party shall provide to the requesting Party, in writing, the reasons why that information is not available.

## **Chapter 5. TAXATION**

### **Article 383. Good Governance**

The Parties recognise and commit to implementing the principles of good governance in the area of taxation, in particular the global standards on tax transparency and exchange of information and fair tax competition. The Parties reiterate their support for the OECD Base Erosion and Profit Shifting (BEPS) Action Plan and affirm their commitment to implementing the OECD minimum standards against BEPS. The Parties will promote good governance in tax matters, improve international cooperation in the area of taxation and facilitate the collection of tax revenues.

### **Article 384. Taxation Standards**

1. A Party shall not weaken or reduce the level of protection provided for in its legislation at the end of the transition period below the level provided for by the standards and rules which have been agreed in the OECD at the end of the transition period, in relation to:

(a) the exchange of information, whether upon request, spontaneously or automatically, concerning financial accounts, cross-border tax rulings, country-by-country reports between tax administrations, and potential cross-border tax planning arrangements;

(b) rules on interest limitation, controlled foreign companies and hybrid mismatches.

2. A Party shall not weaken or reduce the level of protection provided for in its legislation at the end of the transition period in respect of public country-by-country reporting by credit institutions and investment firms, other than small and non-interconnected investment firms.

## **Article 385. Dispute Settlement**

This Chapter shall not be subject to dispute settlement under Title I of Part Six.

## **Chapter 6. LABOUR AND SOCIAL STANDARDS**

### **Article 386. Definition**

1. For the purposes of this Chapter, "labour and social levels of protection" means the levels of protection provided overall in a Party's law and standards (1), in each of the following areas:

- (a) fundamental rights at work;
- (b) occupational health and safety standards;
- (c) fair working conditions and employment standards;
- (d) information and consultation rights at company level; or
- (e) restructuring of undertakings.

2. For the Union, "labour and social levels of protection" means labour and social levels of protection that are applicable to and in, and are common to, all Member States.

(1) For greater certainty, this Chapter and Article 411 do not apply to the Parties' law and standards relating to social security and pensions.

### **Article 387. Non-regression from Levels of Protection**

1. The Parties affirm the right of each Party to set its policies and priorities in the areas covered by this Chapter, to determine the labour and social levels of protection it deems appropriate and to adopt or modify its law and policies in a manner consistent with each Party's international commitments, including those under this Chapter.
2. A Party shall not weaken or reduce, in a manner affecting trade or investment between the Parties, its labour and social levels of protection below the levels in place at the end of the transition period, including by failing to effectively enforce its law and standards.
3. The Parties recognise that each Party retains the right to exercise reasonable discretion and to make bona fide decisions regarding the allocation of labour enforcement resources with respect to other labour law determined to have higher priority, provided that the exercise of that discretion, and those decisions, are not inconsistent with its obligations under this Chapter.
4. The Parties shall continue to strive to increase their respective labour and social levels of protection referred to in this Chapter.

### **Article 388. Enforcement**

For the purposes of enforcement as referred to in Article 387 each Party shall have in place and maintain a system for effective domestic enforcement and, in particular, an effective system of labour inspections in accordance with its international commitments relating to working conditions and the protection of workers; ensure that administrative and judicial proceedings are available that allow public authorities and individuals with standing to bring timely actions against violations of the labour law and social standards; and provide for appropriate and effective remedies, including interim relief, as well as proportionate and dissuasive sanctions. In the domestic implementation and enforcement of Article 387, each Party shall respect the role and autonomy of the social partners at a national level, where relevant, in line with applicable law and practice.

### **Article 389. Dispute Settlement**

1. The Parties shall make all efforts through dialogue, consultation, exchange of information and cooperation to address any disagreement on the application of this Chapter.

2. By way of derogation from Title I of Part Six, in the event of a dispute between the Parties regarding the application of this Chapter, the Parties shall have recourse exclusively to the procedures established under Articles 408, 409 and 410.

## **Chapter 7. ENVIRONMENT AND CLIMATE**

### **Article 390. Definitions**

For the purposes of this Chapter, "environmental levels of protection" means the levels of protection provided overall in a Party's law which have the purpose of protecting the environment, including the prevention of a danger to human life or health from environmental impacts, including in each of the following areas:

- (a) industrial emissions;
- (b) air emissions and air quality;
- (c) nature and biodiversity conservation;
- (d) waste management;
- (e) the protection and preservation of the aquatic environment;
- (f) the protection and preservation of the marine environment;
- (g) the prevention, reduction and elimination of risks to human health or the environment arising from the production, use, release or disposal of chemical substances; or
- (h) the management of impacts on the environment from agricultural or food production, notably through the use of antibiotics and decontaminants.

2. For the Union, "environmental levels of protection" means environmental levels of protection that are applicable to and in, and are common to, all Member States.

3. For the purposes of this Chapter, "climate level of protection" means the level of protection with respect to emissions and removals of greenhouse gases and the phase-out of ozone depleting substances. With regard to greenhouse gases, this means:

- (a) for the Union, the 40 % economy-wide 2030 target, including the Union's system of carbon pricing;
- (b) for the United Kingdom, the United Kingdom's economy-wide share of this 2030 target, including the United Kingdom's system of carbon pricing.

### **Article 391. Non-regression from Levels of Protection**

1. The Parties affirm the right of each Party to set its policies and priorities in the areas covered by this Chapter, to determine the environmental levels of protection and climate level of protection it deems appropriate and to adopt or modify its law and policies in a manner consistent with each Party's international commitments, including those under this Chapter.

2. A Party shall not weaken or reduce, in a manner affecting trade or investment between the Parties, its environmental levels of protection or its climate level of protection below the levels that are in place at the end of the transition period, including by failing to effectively enforce its environmental law or climate level of protection.

3. The Parties recognise that each Party retains the right to exercise reasonable discretion and to make bona fide decisions regarding the allocation of environmental enforcement resources with respect to other environmental law and climate policies determined to have higher priorities, provided that the exercise of that discretion, and those decisions, are not inconsistent with its obligations under this Chapter.

4. For the purposes of this Chapter, insofar as targets are provided for in a Party's environmental law in the areas listed in Article 390, they are included in a Party's environmental levels of protection at the end of the transition period. These targets include those whose attainment is envisaged for a date that is subsequent to the end of the transition period. This paragraph shall also apply to ozone depleting substances.

5. The Parties shall continue to strive to increase their respective environmental levels of protection or their respective climate level of protection referred to in this Chapter.

## **Article 392. Carbon Pricing**

1. Each Party shall have in place an effective system of carbon pricing as of 1 January 2021.
2. Each system shall cover greenhouse gas emissions from electricity generation, heat generation, industry and aviation.
3. The effectiveness of the Parties' respective carbon pricing systems shall uphold the level of protection provided for by Article 391.
4. By way of derogation from paragraph 2, aviation shall be included within two years at the latest, if not included already. The scope of the Union system of carbon pricing shall cover departing flights from the European Economic Area to the United Kingdom.
5. Each Party shall maintain its system of carbon pricing insofar as it is an effective tool for each Party in the fight against climate change and shall in any event uphold the level of protection provided for by Article 391.
6. The Parties shall cooperate on carbon pricing. They shall give serious consideration to linking their respective carbon pricing systems in a way that preserves the integrity of these systems and provides for the possibility to increase their effectiveness.

## **Article 393. Environmental and Climate Principles**

1. Taking into account the fact that the Union and the United Kingdom share a common biosphere in respect of cross-border pollution, each Party commits to respecting the internationally recognised environmental principles to which it has committed, such as in the Rio Declaration on Environment and Development, adopted at Rio de Janeiro on 14 June 1992 (the "1992 Rio Declaration on Environment and Development") and in multilateral environmental agreements, including in the United Nations Framework Convention on Climate Change, done at New York on 9 May 1992 ("UNFCCC") and the Convention on Biological Diversity, done at Rio de Janeiro on 5 June 1992 (the "Convention on Biological Diversity"), in particular:

- (a) the principle that environmental protection should be integrated into the making of policies, including through impact assessments;
- (b) the principle of preventative action to avert environmental damage;
- (c) the precautionary approach referred to in Article 356(2);
- (d) the principle that environmental damage should as a priority be rectified at source; and
- (e) the polluter pays principle.

2. The Parties reaffirm their respective commitments to procedures for evaluating the likely impact of a proposed activity on the environment, and where specified projects, plans and programmes are likely to have significant environmental, including health, effects, this includes an environmental impact assessment or a strategic environmental assessment, as appropriate.

3. These procedures shall comprise, where appropriate and in accordance with a Party's laws, the determination of the scope of an environmental report and its preparation, the carrying out of public participation and consultations and the taking into account of the environmental report and the results of the public participation and consultations in the consented project, or adopted plan or programme.

## **Article 394. Enforcement**

1. For the purposes of enforcement as referred to in Article 391, each Party shall, in accordance with its law, ensure that:

- (a) domestic authorities competent to enforce the relevant law with regard to environment and climate give due consideration to alleged violations of such law that come to their attention; those authorities shall have adequate and effective remedies available to them, including injunctive relief as well as proportionate and dissuasive sanctions, if appropriate; and
- (b) national administrative or judicial proceedings are available to natural and legal persons with a sufficient interest to bring actions against violations of such law and to seek effective remedies, including injunctive relief, and that the proceedings are not prohibitively costly and are conducted in a fair, equitable and transparent way.

## **Article 395. Cooperation on Monitoring and Enforcement**

The Parties shall ensure that the European Commission and the supervisory bodies of the United Kingdom regularly meet with each other and co-operate on the effective monitoring and enforcement of the law with regard to environment and climate as referred to in Article 391.

## **Article 396. Dispute Settlement**

1. The Parties shall make all efforts through dialogue, consultation, exchange of information and cooperation to address any disagreement on the application of this Chapter.

2. By way of derogation from Title I of Part Six, in the event of a dispute between the Parties regarding the application of this Chapter, the Parties shall have recourse exclusively to the procedures established under Articles 408, 409 and 410.

# **Chapter 8. OTHER INSTRUMENTS FOR TRADE AND SUSTAINABLE DEVELOPMENT**

## **Article 397. Context and Objectives**

1. The Parties recall the Agenda 21 and the 1992 Rio Declaration on Environment and Development, the Johannesburg Plan of Implementation of the World Summit on Sustainable Development of 2002, the International Labour Organization (ILO) Declaration on Social Justice for a Fair Globalization, adopted at Geneva on 10 June 2008 by the International Labour Conference at its 97th Session (the "2008 ILO Declaration on Social Justice for a Fair Globalization"), the Outcome Document of the UN Conference on Sustainable Development of 2012 entitled "The Future We Want", endorsed by the UN General Assembly Resolution 66/288 adopted on 27 July 2012, and the UN 2030 Agenda for Sustainable Development, adopted by the UN General Assembly Resolution 70/1 on 25 September 2015 and its Sustainable Development Goals.

2. In light of paragraph 1 of this Article, the objective of this Chapter is to enhance the integration of sustainable development, notably its labour and environmental dimensions, in the Parties' trade and investment relationship and in this respect to complement the commitments of the Parties under Chapters 6 and 7.

## **Article 398. Transparency**

1. The Parties stress the importance of ensuring transparency as a necessary element to promote public participation and of making information public within the context of this Chapter. In accordance with their laws and regulations, the provisions of this Chapter, of Title IX and of Title X, each Party shall:

(a) ensure that any measure of general application pursuing the objectives of this Chapter is administered in a transparent manner, including by providing the public with reasonable opportunities and sufficient time to comment, and by publishing such measures;

(b) ensure that the general public is given access to relevant environmental information held by or for public authorities, as well as ensuring the active dissemination of that information to the general public by electronic means;

(c) encourage public debate with and among non-state actors as regards the development and definition of policies that may lead to the adoption of law relevant to this Chapter by its public authorities; this includes, in relation to the environment, public participation in projects, plans and programmes; and

(d) promote public awareness of its laws and standards relevant to this Chapter, as well as enforcement and compliance procedures, by taking steps to further the knowledge and understanding of the public; in relation to labour laws and standards, this includes workers, employers and their representatives.

## **Article 399. Multilateral Labour Standards and Agreements**

1. The Parties affirm their commitment to promoting the development of international trade in a way that is conducive to decent work for all, as expressed in the 2008 ILO Declaration on Social Justice for a Fair Globalization.

2. In accordance with the ILO Constitution and the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up, adopted at Geneva on 18 June 1998 by the International Labour Conference at its 86th Session, each Party commits to respecting, promoting and effectively implementing the internationally recognised core labour standards, as

defined in the fundamental ILO Conventions, which are:

- (a) freedom of association and the effective recognition of the right to collective bargaining;
- (b) the elimination of all forms of forced or compulsory labour;
- (c) the effective abolition of child labour; and
- (d) the elimination of discrimination in respect of employment and occupation.

3. Each Party shall make continued and sustained efforts to ratify the fundamental ILO Conventions if they have not yet done so.

4. The Parties shall exchange information, regularly and as appropriate, on the respective situations and progress of the Member States and of the United Kingdom with regard to the ratification of ILO Conventions or protocols classified as up-to-date by the ILO and of other relevant international instruments.

5. Each Party commits to implementing all the ILO Conventions that the United Kingdom and the Member States have respectively ratified and the different provisions of the European Social Charter that, as members of the Council of Europe, the Member States and the United Kingdom have respectively accepted (1).

(1) Each Party maintains its right to determine its priorities, policies and the allocation of resources in the effective implementation of the ILO Conventions and the relevant provisions of the European Social Charter in a manner consistent with its international commitments, including those under this Title. The Council of Europe, established in 1949, adopted the European Social Charter in 1961, which was revised in 1996. All Member States have ratified the European Social Charter in its original or revised version. For the United Kingdom, the reference to the European Social Charter in paragraph 5 refers to the original 1961 version.

6. Each Party shall continue to promote, through its laws and practices, the ILO Decent Work Agenda as set out in the 2008 ILO Declaration on Social Justice for a Fair Globalization (the "ILO Decent Work Agenda") and in accordance with relevant ILO Conventions, and other international commitments, in particular with regard to:

- (a) decent working conditions for all, with regard to, inter alia, wages and earnings, working hours, maternity leave and other conditions of work;
- (b) health and safety at work, including the prevention of occupational injury or illness and compensation in cases of such injury or illness; and
- (c) non-discrimination in respect of working conditions, including for migrant workers.

7. Each Party shall protect and promote social dialogue on labour matters among workers and employers, and their respective organisations, and with relevant government authorities.

8. The Parties shall work together on trade-related aspects of labour policies and measures, including in multilateral fora, such as the ILO, as appropriate. Such cooperation may cover inter alia:

- (a) trade-related aspects of implementation of fundamental, priority and other up-to-date ILO Conventions;
- (b) trade-related aspects of the ILO Decent Work Agenda, including on the interlinkages between trade and full and productive employment, labour market adjustment, core labour standards, decent work in global supply chains, social protection and social inclusion, social dialogue and gender equality;
- (c) the impact of labour law and standards on trade and investment, or the impact of trade and investment law on labour;
- (d) dialogue and information-sharing on the labour provisions in the context of their respective trade agreements, and the implementation thereof; and
- (e) any other form of cooperation deemed appropriate.

9. The Parties shall consider any views provided by representatives of workers, employers, and civil society organisations when identifying areas of cooperation and when carrying out cooperative activities.

## **Article 400. Multilateral Environmental Agreements**

1. The Parties recognise the importance of the UN Environment Assembly of the UN Environment Programme and of

multilateral environmental governance and agreements as a response of the international community to global or regional environmental challenges and stress the need to enhance the mutual supportiveness between trade and environment policies, rules and measures.

2. In light of paragraph 1, each Party commits to effectively implementing the multilateral environmental agreements, protocols and amendments that it has ratified in its law and practices.

3. The Parties shall regularly and as appropriate exchange information on:

(a) their respective situations as regards the ratification and implementation of multilateral environmental agreements, including their protocols and amendments;

(b) on-going negotiations of new multilateral environmental agreements; and

(c) each Party's respective views on becoming a party to additional multilateral environmental agreements.

4. The Parties reaffirm the right of each Party to adopt or maintain measures to further the objectives of multilateral environmental agreements to which it is party. The Parties recall that measures adopted or enforced to implement such multilateral environmental agreements may be justified under Article 412.

5. The Parties shall work together on trade-related aspects of environmental policies and measures, including in multilateral fora, such as the UN High-level Political Forum for Sustainable Development, the UN Environment Programme, the UN Environment Assembly, multilateral environmental agreements, the International Civil Aviation Organization (ICAO) or the WTO as appropriate. Such cooperation may cover inter alia:

(a) initiatives on sustainable production and consumption, including those aimed at promoting a circular economy and green growth and pollution abatement;

(b) initiatives to promote environmental goods and services, including by addressing related tariff and non-tariff barriers;

(c) the impact of environmental law and standards on trade and investment; or the impact of trade and investment law on the environment;

(d) the implementation of Annex 16 to the Convention on International Civil Aviation, done at Chicago on 7 December 1944, and other measures to reduce the environmental impact of aviation, including in the area of air traffic management; and

(e) other trade-related aspects of multilateral environmental agreements, including their protocols, amendments and implementation.

6. Cooperation pursuant to paragraph 5 may include technical exchanges, exchanges of information and best practices, research projects, studies, reports, conferences and workshops.

7. The Parties will consider views or input from the public and interested stakeholders for the definition and implementation of their cooperation activities, and they may involve such stakeholders further in those activities, as appropriate.

## **Article 401. Trade and Climate Change**

1. The Parties recognise the importance of taking urgent action to combat climate change and its impacts, and the role of trade and investment in pursuing that objective, in line with the UNFCCC, with the purpose and goals of the Paris Agreement adopted at Paris on 12 December 2015 by the Conference of the Parties to the United Nations Framework Convention on Climate Change at its 21st session (the "Paris Agreement"), and with other multilateral environmental agreements and multilateral instruments in the area of climate change.

2. In light of paragraph 1, each Party:

(a) commits to effectively implementing the UNFCCC, and the Paris Agreement of which one principal aim is strengthening the global response to climate change and holding the increase in the global average temperature to well below 2 °C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1,5 °C above pre-industrial levels;

(b) shall promote the mutual supportiveness of trade and climate policies and measures thereby contributing to the transition to a low greenhouse gas emission, resource-efficient economy and to climate-resilient development; and

(c) shall facilitate the removal of obstacles to trade and investment in goods and services of particular relevance for climate change mitigation and adaptation, such as renewable energy, energy efficient products and services, for instance through addressing tariff and non-tariff barriers or through the adoption of policy frameworks conducive to the deployment of the

best available solutions.

3. The Parties shall work together to strengthen their cooperation on trade-related aspects of climate change policies and measures bilaterally, regionally and in international fora, as appropriate, including in the UNFCCC, the WTO, the Montreal Protocol on Substances that Deplete the Ozone Layer done at Montreal on 26 August 1987 (the "Montreal Protocol"), the International Maritime Organisation (IMO) and the ICAO. Such cooperation may cover inter alia:

(a) policy dialogue and cooperation regarding the implementation of the Paris Agreement, such as on means to promote climate resilience, renewable energy, low-carbon technologies, energy efficiency, sustainable transport, sustainable and climate-resilient infrastructure development, emissions monitoring, international carbon markets;

(b) supporting the development and adoption of ambitious and effective greenhouse gas emissions reduction measures by the IMO to be implemented by ships engaged in international trade;

(c) supporting the development and adoption of ambitious and effective greenhouse gas emissions reduction measures by the ICAO; and

(d) supporting an ambitious phase-out of ozone depleting substances and phase-down of hydrofluorocarbons under the Montreal Protocol through measures to control their production, consumption and trade; the introduction of environmentally friendly alternatives to them; the updating of safety and other relevant standards as well as through combating the illegal trade of substances regulated by the Montreal Protocol.

## **Article 402. Trade and Biological Diversity**

1. The Parties recognise the importance of conserving and sustainably using biological diversity and the role of trade in pursuing these objectives, including by promoting sustainable trade or controlling or restricting trade in endangered species, in line with the relevant multilateral environmental agreements to which they are party, and the decisions adopted thereunder, notably the Convention on Biological Diversity and its protocols, and the Convention on International Trade in Endangered Species of Wild Fauna and Flora, done at Washington D.C. on 3 March 1973 ("CITES").

2. In light of paragraph 1, each Party shall:

(a) implement effective measures to combat illegal wildlife trade, including with respect to third countries, as appropriate;

(b) promote the use of CITES as an instrument for conservation and sustainable management of biodiversity, including through the inclusion of animal and plant species in the Appendices to CITES where the conservation status of that species is considered at risk because of international trade;

(c) encourage trade in products derived from a sustainable use of biological resources and contributing to the conservation of biodiversity; and

(d) continue to take measures to conserve biological diversity when it is subject to pressures linked to trade and investment, in particular through measures to prevent the spread of invasive alien species.

3. The Parties shall work together on trade-related matters of relevance to this Article, including in multilateral fora, such as CITES and the Convention on Biological Diversity, as appropriate. Such cooperation may cover inter alia: trade in wildlife and natural resource-based products, the valuation and assessment of ecosystems and related services, and the access to genetic resources and the fair and equitable sharing of benefits arising from their utilisation consistent with the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization to the Convention on Biological Diversity, done at Nagoya on 29 October 2010.

## **Article 403. Trade and Forests**

1. The Parties recognise the importance of conservation and sustainable forest management for providing environmental functions and economic and social opportunities for present and future generations, and the role of trade in pursuing that objective.

2. In light of paragraph 1 and in a manner consistent with its international obligations, each Party shall:

(a) continue to implement measures to combat illegal logging and related trade, including with respect to third countries, as appropriate, and to promote trade in legally harvested forest products;

(b) promote the conservation and sustainable management of forests and trade and consumption of timber and timber



products harvested in accordance with the law of the country of harvest and from sustainably managed forests; and

(c) exchange information with the other Party on trade-related initiatives on sustainable forest management, forest governance and on the conservation of forest cover and cooperate to maximise the impact and mutual supportiveness of their respective policies of mutual interest.

3. The Parties shall work together to strengthen their cooperation on trade-related aspects of sustainable forest management, the conservation of forest cover and illegal logging, including in multilateral fora, as appropriate.

## **Article 404. Trade and Sustainable Management of Marine Biological Resources and Aquaculture**

1. The Parties recognise the importance of conserving and sustainably managing marine biological resources and ecosystems as well as of promoting responsible and sustainable aquaculture, and the role of trade in pursuing those objectives.

2. In light of paragraph 1, each Party:

(a) commits to acting consistently and complying, as appropriate, with the relevant UN and Food and Agriculture Organization ("FAO") agreements, the United Nations Convention on the Law of the Sea, the Agreement for the Implementation of the Provisions of the United Nations Convention on the Law of the Sea of 10 December 1982 relating to the Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks, done at New York on 4 August 1995, the FAO Agreement to Promote Compliance with International Conservation and Management Measures by Fishing Vessels on the High Seas, done at Rome on 24 November 1993, the FAO Code of Conduct for Responsible Fisheries and the FAO Agreement on Port State Measures to Prevent, Deter and Eliminate Illegal, Unreported and Unregulated ("IUU") fishing, approved at Rome on 22 November 2009 at the 36th Session of the FAO Conference, and to participating in the FAO's initiative on the Global Record of Fishing Vessels, Refrigerated Transport Vessels and Supply Vessels;

(b) shall promote sustainable fisheries and good fisheries governance by participating actively in the work of relevant international organisations or bodies to which they are members, observers, or cooperating non-contracting parties, including the Regional Fisheries Management Organizations (RFMOs) by means of, where applicable, effective monitoring, control or enforcement of the RFMOs' resolutions, recommendations or measures; the implementation of their catch documentation or certification schemes, and port state measures;

(c) shall adopt and maintain their respective effective tools to combat IUU fishing, including measures to exclude the products of IUU fishing from trade flows, and cooperate to that end;

(d) and shall promote the development of sustainable and responsible aquaculture, including with regard to the implementation of the objectives and principles contained in the FAO Code of Conduct for Responsible Fisheries, as appropriate.

3. The Parties shall work together on conservation and trade-related aspects of fishery and aquaculture policies and measures, including in the WTO, the RFMOs and other multilateral fora, as appropriate, with the aim of promoting sustainable fishing and aquaculture practices and trade in fish products from sustainably managed fisheries and aquaculture operations.

4. This Article is without prejudice to the provisions of Heading Five.

## **Article 405. Trade and Investment Favouring Sustainable Development**

1. The Parties confirm their commitment to enhancing the contribution of trade and investment to the goal of sustainable development in its economic, social and environmental dimensions.

2. Pursuant to paragraph 1, the Parties shall continue to promote:

(a) trade and investment policies that support the four strategic objectives of the ILO Decent Work Agenda, consistent with the 2008 ILO Declaration on Social Justice for a Fair Globalization, including the minimum living wage, health and safety at work, and other aspects related to working conditions;

(b) trade and investment in environmental goods and services, such as renewable energy and energy efficient products and services, including through addressing related non-tariff barriers or through the adoption of policy frameworks conducive to the deployment of the best available solutions;

(c) trade in goods and services that contribute to enhanced social conditions and environmentally sound practices, including those subject to voluntary sustainability assurance schemes such as fair and ethical trade schemes and eco-labels; and

(d) cooperation in multilateral fora on issues referred to in this Article.

3. The Parties recognise the importance of addressing specific sustainable development issues by reviewing, monitoring and assessing the potential economic, social and environmental impacts of possible actions, taking account of the views of stakeholders.

## **Article 406. Trade and Responsible Supply Chain Management**

1. The Parties recognise the importance of responsible management of supply chains through responsible business conduct and corporate social responsibility practices and the role of trade in pursuing this objective.

2. In light of paragraph 1, each Party shall:

(a) encourage corporate social responsibility and responsible business conduct, including by providing supportive policy frameworks that encourage the uptake of relevant practices by businesses; and

(b) support the adherence, implementation, follow-up and dissemination of relevant international instruments, such as the OECD Guidelines for Multinational Enterprises, the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, the UN Global Compact, and the UN Guiding Principles on Business and Human Rights.

3. The Parties recognise the utility of international sector-specific guidelines in the area of corporate social responsibility and responsible business conduct and shall encourage joint work in this regard. In respect of the OECD Due Diligence Guidance for responsible supply chains of minerals from conflict-affected and high-risk areas and its supplements, the Parties shall also implement measures to promote the uptake of that Guidance.

4. The Parties shall work together to strengthen their cooperation on trade-related aspects of issues covered by this Article, including in multilateral fora, as appropriate, inter alia through the exchange of information, best practices and outreach initiatives.

## **Article 407. Dispute Settlement**

1. The Parties shall make all efforts through dialogue, consultation, exchange of information and cooperation to address any disagreement on the application of this Chapter.

2. By way of derogation from Title I of Part Six, in the event of a dispute between the Parties regarding the application of this Chapter, the Parties shall have recourse exclusively to the procedures established under Articles 408 and 409.

# **Chapter 9. HORIZONTAL AND INSTITUTIONAL PROVISIONS**

## **Article 408. Consultations**

1. A Party may request consultations with the other Party regarding any matter arising under Article 355(3) and Chapters 6, 7, and 8 by delivering a written request to the other Party. The complaining Party shall specify in its written request the reasons and basis for the request, including identification of the measures at issue, specifying the provisions that it considers applicable. Consultations must commence promptly after a Party delivers a request for consultations and in any event not later than 30 days after the date of delivery of the request, unless the Parties agree to a longer period.

2. The Parties shall enter into consultations with the aim of reaching a mutually satisfactory resolution of the matter. During consultations, each Party shall provide the other Party with sufficient information in its possession to allow a full examination of the matters raised. Each Party shall endeavour to ensure the participation of personnel of their competent authorities who have expertise in the matter subject to the consultations.

3. In matters relating to Article 355(3) or to the multilateral agreements or instruments referred to in Chapters 6, 7 or 8 the Parties shall take into account available information from the ILO or relevant bodies or organisations established under multilateral environmental agreements. Where relevant, the Parties shall jointly seek advice from such organisations or their bodies, or any other expert or body they deem appropriate.

4. Each Party may seek, when appropriate, the views of the domestic advisory groups referred to in Article 13 or other expert advice.

5. Any resolution reached by the Parties shall be made available to the public.

## **Article 409. Panel of Experts**

1. For any matter that is not satisfactorily addressed through consultations under Article 408, a Party may, after 90 days from the receipt of a request for consultations under that Article, request that a panel of experts be convened to examine that matter, by delivering a written request to the other Party. The request shall identify the measure at issue, specify and explain how that measure does not conform with the provisions of the relevant Chapter or Chapters in a manner sufficient to present the complaint clearly.

2. The panel of experts shall be composed of three panellists.

3. The Trade Specialised Committee on Level Playing Field for Open and Fair Competition and Sustainable Development shall, at its first meeting after the entry into force of this Agreement, establish a list of at least 15 individuals who are willing and able to serve as panellists. Each Party shall name at least five individuals to the list to serve as panellists. The Parties shall also name at least five individuals who are not nationals of either Party and who are willing and able to serve as chairperson of a panel of experts. The Trade Specialised Committee on Level Playing Field for Open and Fair Competition and Sustainable Development shall ensure that the list is kept up to date and that the number of experts is maintained at a minimum of 15 individuals.

4. The experts proposed as panellists must have specialised knowledge or expertise in labour or environmental law, other issues addressed in the relevant Chapter or Chapters, or in the resolution of disputes arising under international agreements. They must serve in their individual capacities and not take instructions from any organisation or government with regard to matters related to the dispute. They must not be affiliated with or take instructions from either Party. They shall not be persons who are members, officials or other servants of the Union institutions, of the Government of a Member State, or of the Government of the United Kingdom.

5. Unless the Parties agree otherwise within five days from the date of establishment of the panel of experts, the terms of reference shall be:

"to examine, in the light of the relevant provisions, the matter referred to in the request for the establishment of the panel of experts, and to deliver a report in accordance with this Article that makes findings on the conformity of the measure with the relevant provisions".

6. In respect of matters related to multilateral standards or agreements covered in this Title, the panel of experts should seek information from the ILO or relevant bodies established under those agreements, including any pertinent available interpretative guidance, findings or decisions adopted by the ILO and those bodies.

7. The panel of experts may request and receive written submissions or any other information from persons with relevant information or specialised knowledge.

8. The panel of experts shall make available such information to each Party, allowing them to submit their comments within 20 days of its receipt.

9. The panel of experts shall issue to the Parties an interim report and a final report setting out the findings of fact, its determinations on the matter including as to whether the respondent Party has conformed with its obligations under the relevant Chapter or Chapters and the rationale behind any findings and determinations that it makes. For greater certainty, the Parties share the understanding that if the Panel makes recommendations in its report, the respondent Party does not need to follow these recommendations in ensuring conformity with this Agreement.

10. The panel of experts shall deliver to the Parties the interim report within 100 days after the date of establishment of the panel of experts. When the panel of experts considers that this deadline cannot be met, the chairperson of the panel of experts shall notify the Parties in writing, stating the reasons for the delay and the date on which the panel of experts plans to deliver its interim report. The panel of experts shall, under no circumstances, deliver its interim report later than 125 days after the date of establishment of the panel of experts.

11. Each Party may deliver to the panel of experts a reasoned request to review particular aspects of the interim report within 25 days of its delivery. A Party may comment on the other Party's request within 15 days of the delivery of the request.

12. After considering those comments, the panel of experts shall prepare the final report. If no request to review particular aspects of the interim report are delivered within the time period referred to in paragraph 11, the interim report shall become the final report of the panel of experts.

13. The panel of experts shall deliver its final report to the Parties within 175 days of the date of establishment of the panel of experts. When the panel of experts considers that this time limit cannot be met, its chairperson shall notify the Parties in writing, stating the reasons for the delay and the date on which the panel of experts plans to deliver its final report. The panel of experts shall, under no circumstances, deliver its final report later than 195 days after the date of establishment of the panel of experts.

14. The final report shall include a discussion of any written request by the Parties on the interim report and clearly address the comments of the Parties.

15. The Parties shall make the final report available to the public within 15 days of its delivery by the panel of experts.

16. If the final report of the panel of experts determines that a Party has not conformed with its obligations under the relevant Chapter or Chapters, the Parties shall, within 90 days of the delivery of the final report, discuss appropriate measures to be implemented taking into account the report of the panel of experts. No later than 105 days after the report has been delivered to the Parties, the respondent Party shall inform its domestic advisory groups established under Article 13 and the complaining Party of its decision on any measures to be implemented.

17. The Trade Specialised Committee on Level Playing Field for Open and Fair Competition and Sustainable Development shall monitor the follow-up to the report of the panel of experts. The domestic advisory groups of the Parties established under Article 13 may submit observations to the Trade Specialised Committee on Level Playing Field for Open and Fair Competition and Sustainable Development in that regard.

18. When the Parties disagree on the existence of, or the consistency with, the relevant provisions of any measure taken to address the non-conformity, the complaining Party may deliver a request, which shall be in writing, to the original panel of experts to decide on the matter. The request shall identify any measure at issue and explain how that measure is not in conformity with the relevant provisions in a manner sufficient to present the complaint clearly. The panel of experts shall deliver its findings to the Parties within 45 days of the date of the delivery of the request.

19. Except as otherwise provided for in this Article, Article 739(1), Article 740 and Articles 753 to 758, as well as Annexes 48 and 49, shall apply *mutatis mutandis*.

## **Article 410. Panel of Experts for Non-regression Areas**

1. Article 409 shall apply to disputes between the Parties concerning the interpretation and application of Chapters 6 and 7.

2. For the purposes of such disputes, in addition to the Articles listed in Article 409(19), Articles 749 and 750 shall apply *mutatis mutandis*.

3. The Parties recognise that, where the respondent Party chooses not take any action to conform with the report of the panel of experts and with this Agreement, any remedies authorised under Article 749 continue to be available to the complaining Party.

## **Article 411. Rebalancing**

1. The Parties recognise the right of each Party to determine its future policies and priorities with respect to labour and social, environmental or climate protection, or with respect to subsidy control, in a manner consistent with each Party's international commitments, including those under this Agreement. At the same time, the Parties acknowledge that significant divergences in these areas can be capable of impacting trade or investment between the Parties in a manner that changes the circumstances that have formed the basis for the conclusion of this Agreement.

2. If material impacts on trade or investment between the Parties are arising as a result of significant divergences between the Parties in the areas referred to in paragraph 1, either Party may take appropriate rebalancing measures to address the situation. Such measures shall be restricted with respect to their scope and duration to what is strictly necessary and proportionate in order to remedy the situation. Priority shall be given to such measures as will least disturb the functioning of this Agreement. A Party's assessment of those impacts shall be based on reliable evidence and not merely on conjecture or remote possibility.

3. The following procedures shall apply to rebalancing measures taken under paragraph 2:

(a) the concerned Party shall, without delay, notify the other Party through the Partnership Council of the rebalancing measures it intends to take, providing all relevant information. The Parties shall immediately enter into consultations. Consultations shall be deemed concluded within 14 days from the date of delivery of the notification, unless they are jointly

concluded before that time limit;

(b) if no mutually acceptable solution is found, the concerned Party may adopt rebalancing measures no sooner than five days from the conclusion of the consultations, unless the notified Party requests within the same five day period, in accordance with Article 739(2) (1), the establishment of an arbitration tribunal by means of a written request delivered to the other Party in order for the arbitration tribunal to decide whether the notified rebalancing measures are consistent with paragraph 2 of this Article;

(1) For greater certainty, in this case the Party shall not have prior recourse to consultations in accordance with Article 738.

(c) the arbitration tribunal shall conduct its proceeding in accordance with Article 760 and deliver its final ruling within 30 days from its establishment. If the arbitration tribunal does not deliver its final ruling within that time period, the concerned Party may adopt the rebalancing measures no sooner than three days after the expiry of that 30 day time period. In that case, the other Party may take countermeasures proportionate to the adopted rebalancing measures until the arbitration tribunal delivers its ruling. Priority shall be given to such countermeasures as will least disturb the functioning of this Agreement. Point (a) shall apply mutatis mutandis to such countermeasures, which may be adopted no sooner than three days after the conclusion of consultations;

(d) if the arbitration tribunal has found the rebalancing measures to be consistent with paragraph 2, the concerned Party may adopt the rebalancing measures as notified to the other Party;

(e) if the arbitration tribunal has found the rebalancing measures to be inconsistent with paragraph 2 of this Article, the concerned Party shall, within three days from the delivery of the ruling, notify the complaining Party of the measures (1) it intends to adopt to comply with the ruling of the arbitration tribunal. Article 748(2) and Articles 749 (2) and 750 shall apply mutatis mutandis, if the complaining Party considers that the notified measures are not in compliance with the ruling of the arbitration tribunal. The procedures under Article 748(2) and Articles 749 and 750 shall have no suspensive effect on the application of the notified measures pursuant to this paragraph;

(1) Such measures may include withdrawal or adjustment of the rebalancing measures, as appropriate.

(2) Suspension of obligations under Article 749 shall be available only if rebalancing measures have in fact been applied.

(f) if rebalancing measures were adopted prior to the arbitration ruling in accordance with point (c), any countermeasures adopted pursuant to that point shall be withdrawn immediately, and in no case later than five days, after delivery of the ruling of the arbitration tribunal;

(g) a Party shall not invoke the WTO Agreement or any other international agreement to preclude the other Party from taking measures pursuant to paragraphs 2 and 3, including when those measures consist of suspension of obligations under this Agreement;

(h) if the notified Party does not submit a request pursuant to point (b) of this paragraph within the time period laid down therein, that Party may without having prior recourse to consultations in accordance with Article 738 initiate the arbitration procedure referred to in Article 739. An arbitration tribunal shall treat the issue as a case of urgency for the purposes of Article 744,

4. In order to ensure an appropriate balance between the commitments made by the Parties in this Agreement on a more durable basis, either Party may request, no sooner than four years after the entry into force of this Agreement, a review of the operation of this Heading. The Parties may agree that other Headings of this Agreement may be added to the review.

5. Such a review shall commence at a Party's request, if that Party considers that measures under paragraph 2 or 3 have been taken frequently by either or both Parties, or if a measure that has a material impact on trade or investment between the Parties has been applied for a period of 12 months. For the purposes of this paragraph, the measures in question are those which were not challenged or not found by an arbitration tribunal to be strictly unnecessary pursuant to point (d) or (h) of paragraph 3. This review may commence earlier than four years after the entry into force of this Agreement.

6. The review requested pursuant to paragraph 4 or 5 shall begin within three months of the request and be completed within six months.

7. A review on the basis of paragraph 4 or 5 may be repeated at subsequent intervals of no less than four years after the conclusion of the previous review. If a Party has requested a review under paragraph 4 or 5, it may not request a further

review under either paragraph 4 or 5 for at least four years from the conclusion of the previous review or, if applicable, from the entry into force of any amending agreement.

8. The review shall address whether this Agreement delivers an appropriate balance of rights and obligations between the Parties, in particular with regard to the operation of this Heading, and whether, as a result, there is a need for any modification of the terms of this Agreement.

9. The Partnership Council may decide that no action is required as a result of the review. If a Party considers that following the review there is a need for an amendment of this Agreement, the Parties shall use their best endeavours to negotiate and conclude an agreement making the necessary amendments. Such negotiations shall be limited to matters identified in the review.

10. If an amending agreement referred to in paragraph 9 is not concluded within one year from the date the Parties started negotiations, either Party may give notice to terminate this Heading or any other Heading of this Agreement that was added to the review, or the Parties may decide to continue negotiations. If a Party terminates this Heading, Heading Three shall be terminated on the same date. The termination shall take effect three months after the date of such notice.

11. If this Heading is terminated pursuant to paragraph 10 of this Article, Heading Two shall be terminated on the same date, unless the Parties agree to integrate the relevant parts of Title XI of this Heading in Heading Two.

12. Title I of Part Six does not apply to paragraphs 4 to 9 of this Article.

## **Title XII. EXCEPTIONS**

### **Article 412. General Exceptions**

1. Nothing in Chapter 1 and Chapter 5 of Title I, Chapter 2 of Title II, Title III, Title VIII and Chapter 4 of Title XI shall be construed as preventing a Party from adopting or maintaining measures compatible with Article XX of GATT 1994. To that end, Article XX of GATT 1994, including its Notes and Supplementary Provisions, is incorporated into and made part of this Agreement, *mutatis mutandis*.

2. Subject to the requirement that such measures are not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination between countries where like conditions prevail, or a disguised restriction on investment liberalisation or trade in services, nothing in Title II, Title III, Title IV, Title VIII and Chapter 4 of Title XI shall be construed to prevent the adoption or enforcement by either Party of measures:

(a) necessary to protect public security or public morals or to maintain public order (1);

(b) necessary to protect human, animal or plant life or health;

(c) necessary to secure compliance with laws or regulations which are not inconsistent with the provisions of this Agreement including those relating to:

(i) the prevention of deceptive and fraudulent practices or to deal with the effects of a default on contracts;

(ii) the protection of the privacy of individuals in relation to the processing and dissemination of personal data and the protection of confidentiality of individual records and accounts; and

(iii) safety.

3. For greater certainty, the Parties understand that, to the extent that such measures are otherwise inconsistent with the provisions of the chapters or titles referred to in paragraphs 1 and 2 of this Article:

(a) the measures referred to in point (b) of Article XX of GATT 1994 and in point (b) of paragraph 2 of this Article include environmental measures, which are necessary to protect human, animal or plant life and health;

(b) point (g) of Article XX of GATT 1994 applies to measures relating to the conservation of living and non-living exhaustible natural resources; and

(c) measures taken to implement multilateral environmental agreements can fall under points (b) or (g) of Article XX of GATT 1994 or under point (b) of paragraph 2 of this Article.

4. Before a Party takes any measures provided for in points (i) and (j) of Article XX of GATT 1994, that Party shall provide the other Party with all relevant information, with a view to seeking a solution acceptable to the Parties. If no agreement is reached within 30 days of providing the information, the Party may apply the relevant measures. Where exceptional and

critical circumstances requiring immediate action make prior information or examination impossible, the Party intending to take the measures may apply forthwith precautionary measures necessary to deal with the situation. That Party shall inform the other Party immediately thereof.

(1) The public security and public order exceptions may be invoked only where a genuine and sufficiently serious threat is posed to one of the fundamental interests of society.

## **Article 413. Taxation**

1. Nothing in Titles I to VII, Chapter 4 of Title VII, Titles IX to XII of this Heading or Heading Six shall affect the rights and obligations of either the Union or its Member States and the United Kingdom, under any tax convention. In the event of any inconsistency between this Agreement and any such tax convention, the tax convention shall prevail to the extent of the inconsistency. With regard to a tax convention between the Union or its Member States and the United Kingdom, the relevant competent authorities under this Agreement and that tax convention shall jointly determine whether an inconsistency exists between this Agreement and the tax convention. (1)

(1) For greater certainty, such determination shall be without prejudice to Title I of Part Six.

2. Articles 130 and 138 shall not apply to an advantage accorded pursuant to a tax convention.

3. Subject to the requirement that tax measures are not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination between countries where like conditions prevail, or a disguised restriction on trade and investment, nothing in Titles I to VII, Chapter 4 of Title VIII, Titles IX to XII of this Heading or Heading Six shall be construed to prevent the adoption, maintenance or enforcement by a Party of any measure that:

(a) aims at ensuring the equitable or effective (1) imposition or collection of direct taxes; or

(1) Measures that are aimed at ensuring the equitable or effective imposition or collection of direct taxes include measures taken by a Party under its taxation system which: (i) apply to non-resident service suppliers in recognition of the fact that the tax obligation of non-residents is determined with respect to taxable items sourced or located in the Party's territory; or (ii) apply to non-residents in order to ensure the imposition or collection of taxes in the Party's territory; or (iii) apply to non-residents or residents in order to prevent the avoidance or evasion of taxes, including compliance measures; or (iv) apply to consumers of services supplied in or from the territory of the other Party or of a third country in order to ensure the imposition or collection of taxes on such consumers derived from sources in the Party's territory; or (v) distinguish service suppliers subject to tax on worldwide taxable items from other service suppliers, in recognition of the difference in the nature of the tax base between them; or (vi) determine, allocate or apportion income, profit, gain, loss, deduction or credit of resident persons or branches, or between related persons or branches of the same person, in order to safeguard the Party's tax base.

(b) distinguishes between taxpayers, who are not in the same situation, in particular with regard to their place of residence or with regard to the place where their capital is invested.

4. For the purposes of this Article, the following definitions apply:

(a) "residence" means residence for tax purposes;

(b) "tax convention" means a convention for the avoidance of double taxation or any other international agreement or arrangement relating wholly or mainly to taxation; and

(c) "direct taxes" comprise all taxes on income or capital, including taxes on gains from the alienation of property, taxes on estates, inheritances and gifts, taxes on wages or salaries paid

by enterprises and taxes on capital appreciation.

## **Article 414. WTO Waivers**

If an obligation in Titles I to XII of this Heading or Heading Six of this Part is substantially equivalent to an obligation contained in the WTO Agreement, any measure taken in conformity with a waiver adopted pursuant to Article IX of the WTO Agreement is deemed to be in conformity with the substantially equivalent provision in this Agreement.

## **Article 415. Security Exceptions**

Nothing in Titles I to XII of this Heading or Heading Six shall be construed:

(a) to require a Party to furnish or allow access to any information the disclosure of which it considers contrary to its essential security interests; or

(b) to prevent a Party from taking an action which it considers necessary for the protection of its essential security interests:

(i) connected to the production of or traffic in arms, ammunition and implements of war and to such production, traffic and transactions in other goods and materials, services and technology, and to economic activities, carried out directly or indirectly for the purpose of supplying a military establishment;

(ii) relating to fissionable and fusionable materials or the materials from which they are derived; or

(iii) in time of war or other emergency in international relations; or

(c) to prevent a Party from taking any action in pursuance of its obligations under the United Nations Charter for the maintenance of international peace and security.

## **Article 416. Confidential Information**

1. With the exception of Article 384, nothing in Titles I to XII of this Heading or Heading Six of this Part shall be construed as requiring a Party to make available confidential information, the disclosure of which would impede law enforcement, or otherwise be contrary to the public interest, or which would prejudice the legitimate commercial interests of particular enterprises, public or private, except where an arbitration tribunal requires such confidential information in dispute settlement proceedings under Title I of Part Six, or where a panel of experts requires such confidential information in proceedings under Article 409 or 410. In such cases, the arbitration tribunal, or, as the case may be, the panel of experts shall ensure that confidentiality is fully protected in accordance with Annex 48.

2. When a Party submits information to the Partnership Council or to Committees that is considered as confidential under its laws and regulations, the other Party shall treat that information as confidential, unless the submitting Party agrees otherwise.

## **HEADING TWO. AVIATION**

### **Title I. AIR TRANSPORT**

#### **Article 417. Definitions**

For the purposes of this Title, the following definitions apply:

(a) "air carrier" means an air transport undertaking holding a valid operating licence or equivalent;

(b) "air carrier of the Union" means an air carrier that fulfils the conditions laid down in point (b) of Article 422(1);

(c) "air carrier of the United Kingdom" means an air carrier that fulfils the conditions laid down in point (a) of Article 422(1) or Article 422(2);

(d) "air navigation services" means air traffic services, communication, navigation and surveillance services, meteorological services for air navigation, and aeronautical information services;

(e) "air operator certificate" means a document issued to an air carrier which affirms that the air carrier in question has the professional ability and organisation to secure the safe operation of aircraft for the aviation activities specified in the certificate;

(f) "air traffic management" means the aggregation of the airborne and ground-based functions (air traffic services, airspace management and air traffic flow management) required to ensure the safe and efficient movement of aircraft during all phases of operations;

(g) "air transport" means the carriage by aircraft of passengers, baggage, cargo, and mail, separately or in combination, held out to the public for remuneration or hire;

(h) "citizenship determination" means a finding that an air carrier proposing to operate air services under this Title satisfies the requirements of Article 422 regarding its ownership, effective control and principal place of business;



(i) "competent authorities" means, for the United Kingdom, the authorities of the United Kingdom responsible for the regulatory and administrative functions incumbent on the United Kingdom under this Title; and for the Union, the authorities of the Union and of the Member States responsible for the regulatory and administrative functions incumbent on the Union under this Title;

(j) "the Convention" means the Convention on International Civil Aviation, done at Chicago on 7 December 1944, and includes:

(i) any amendment that has entered into force under Article 94(a) of the Convention and has been ratified by the United Kingdom and the Member State or Member States concerned, as is relevant to the issue in question; and

(ii) any Annex or any amendment thereto adopted under Article 90 of the Convention, insofar as such Annex or amendment is at any given time effective for the United Kingdom and the Member State or Member States concerned, as is relevant to the issue in question;

(k) "discrimination" means differentiation of any kind without objective justification in respect of the supply of goods or services, including public services, employed for the operation of air transport services, or in respect of their treatment by public authorities relevant to such services;

(l) "effective control" means a relationship constituted by rights, contracts or any other means which, either separately or jointly, and having regard to the considerations of fact or law involved, confer the possibility of directly or indirectly exercising a decisive influence on an undertaking, in particular by:

(i) the right to use all or part of the assets of an undertaking;

(ii) rights or contracts which confer a decisive influence on the composition, voting or decisions of the bodies of an undertaking or otherwise confer a decisive influence on the running of the business of the undertaking;

(m) "fitness determination" means a finding that an air carrier proposing to operate air services under this Title has satisfactory financial capability and adequate managerial expertise to operate such services and is disposed to comply with the laws, regulations and requirements that govern the operation of such services;

(n) "full cost" means the cost of the service provided, which may include appropriate amounts for cost of capital and depreciation of assets, as well as the costs of maintenance, operation, management and administration;

(o) "ICAO" means the United Nations International Civil Aviation Organization;

(p) "principal place of business" means the head office or registered office of an air carrier within which the principal financial functions and operational control, including continued airworthiness management, of that air carrier are exercised;

(q) "ramp inspection" means an examination by the competent authority of a Party or its designated representatives, on board and around an aircraft of the other Party, to check both the validity of the relevant aircraft documents and those of its crew members and the apparent condition of the aircraft and its equipment;

(r) "self-handling" means the performance of ground handling operations by an air carrier directly for itself or for another air carrier where:

(i) one holds the majority in the other; or

(ii) a single body has a majority holding in each;

(s) "scheduled air transport services" means air services which are scheduled and performed for remuneration according to a published timetable, or which are so regular or frequent as to constitute a recognisably systematic series, and which are open to direct booking by members of the public; and extra section flights occasioned by overflow traffic from scheduled flights;

(t) "stop for non-traffic purposes" means a landing for any purpose other than taking on board or discharging passengers, baggage, cargo and/or mail in air transport;

(u) "tariff" means any fare, rate or charge for the carriage of passengers, baggage or cargo (excluding mail) in air transport (including any other mode of transport in connection therewith) charged by air carriers, including their agents, and the conditions governing the availability of such fare, rate or charge;

(v) "user charge" means a charge imposed on air carriers for the provision of airport, air navigation (including overflights), aviation security facilities or services including related services and facilities, or environment-related charges including

noise-related charges and charges to address local air quality problems at or around airports.

## **Article 418. Route Schedule**

1. Subject to Article 419, the Union shall grant the United Kingdom the right for the air carriers of the United Kingdom to operate, while carrying out air transport, on the following routes:

Points in the territory of the United Kingdom - Intermediate Points - Points in the territory of the Union - Points Beyond.

2. Subject to Article 419, the United Kingdom shall grant the Union the right for the air carriers of the Union to operate, while carrying out air transport, on the following routes:

Points in the territory of the Union - Intermediate Points - Points in the territory of the United Kingdom - Points Beyond.

## **Article 419. Traffic Rights**

1. Each Party shall grant to the other Party the right for its respective air carriers, for the purpose of carrying out air transport on the routes laid down in Article 418, to:

(a) fly across its territory without landing;

(b) make stops in its territory for non-traffic purposes.

2. The United Kingdom shall enjoy the right for its air carriers to make stops in the territory of the Union to provide scheduled and non-scheduled air transport services between any points situated in the territory of the United Kingdom and any points situated in the territory of the Union (third and fourth freedom traffic rights).

3. The Union shall enjoy the right for its air carriers to make stops in the territory of the United Kingdom to provide scheduled and non-scheduled air transport services between any points situated in the territory of the Union and any points situated in the territory of the United Kingdom (third and fourth freedom traffic rights).

4. Notwithstanding paragraphs 1, 2 and 3 and without prejudice to paragraph 9, the Member States and the United Kingdom may, subject to the respective internal rules and procedures of the Parties, enter into bilateral arrangements by which, as a matter of this Agreement, they grant each other the following rights:

(a) for the United Kingdom, the right for its air carriers to make stops in the territory of the Member State concerned to provide scheduled and non-scheduled all-cargo air transport services, between points situated in the territory of that Member State and points situated in a third country as part of a service with origin or destination in the territory of the United Kingdom (fifth freedom traffic rights);

(b) for the Member State concerned, the right for Union air carriers to make stops in the territory of the United Kingdom to provide scheduled and non-scheduled all-cargo air transport services between points situated in the territory of the United Kingdom and points situated in a third country, as part of a service with origin or destination in the territory of that Member State (fifth freedom traffic rights).

5. The rights mutually granted in accordance with paragraph 4 shall be governed by the provisions of this Title.

6. Neither Party shall unilaterally limit the volume of traffic, capacity, frequency, regularity, routing, origin or destination of the air transport services operated in accordance with paragraphs 2, 3 and 4, or the aircraft type or types operated for that purpose by the air carriers of the other Party, except as may be required for customs, technical, operational, air traffic management, safety, environmental or health protection reasons, in a non-discriminatory manner, or unless otherwise provided for in this Title.

7. Nothing in this Title shall be deemed to confer on the United Kingdom the right for its air carriers to take on board in the territory of a Member State passengers, baggage, cargo or mail carried for compensation and destined for another point in the territory of that Member State or any other Member State.

8. Nothing in this Title shall be deemed to confer on the Union the right for its air carriers to take on board in the territory of the United Kingdom passengers, baggage, cargo or mail carried for compensation and destined for another point in the territory of the United Kingdom.

9. Subject to the internal rules and procedures of the Parties, the competent authorities of the United Kingdom and of the Member States may authorise non-scheduled air transport services beyond the rights provided for in this Article provided that they do not constitute a disguised form of scheduled services, and may establish bilateral arrangements regarding the

procedures to be followed for the handling of, and decisions on, air carriers' applications.

## **Article 420. Code-share and Blocked Space Arrangements**

1. Air transport services in accordance with Article 419 may be provided by means of blocked-space or code-share arrangements, as follows:

(a) an air carrier of the United Kingdom may act as the marketing carrier with any operating carrier that is an air carrier of the Union or an air carrier of the United Kingdom, or with any operating carrier of a third country which, under Union law or, as applicable, under the law of the Member State or Member States concerned, enjoys the necessary traffic rights as well as the right for its air carriers to exercise those rights by means of the arrangement in question;

(b) an air carrier of the Union may act as the marketing carrier with any operating carrier that is an air carrier of the Union or an air carrier of the United Kingdom, or with any operating carrier of a third country which, under United Kingdom law enjoys the necessary traffic rights as well as the right for its air carriers to exercise those rights by means of the arrangement in question;

(c) an air carrier of the United Kingdom may act as the operating carrier with any marketing carrier that is an air carrier of the Union or an air carrier of the United Kingdom, or with any marketing carrier of a third country which, under Union law or, as applicable, under the law of the Member State or Member States concerned, enjoys the necessary rights to enter into the arrangement in question;

(d) an air carrier of the Union may act as the operating carrier with any marketing carrier that is an air carrier of the Union or an air carrier of the United Kingdom, or with any marketing carrier of a third country which, under United Kingdom law, enjoys the necessary rights to enter into the arrangement in question;

(e) in the context of the arrangements provided under points (a) to (d), an air carrier of one Party may act as the marketing carrier in a blocked-space or code-share arrangement, in services between any pair of points of which both origin and destination are situated in the territory of the other Party provided that the following conditions are fulfilled:

(i) the conditions laid down in point (a) or (b), as the case may be, as regards the operating carrier; and

(ii) the transport service in question forms part of a carriage by the marketing carrier between a point in the territory of its Party and that destination point in the territory of the other Party.

2. An air carrier of one Party may act as the marketing carrier in a blocked-space or code-share arrangement, in services between any pair of points of which one is situated in the territory of the other Party and the other is situated in a third country, provided that the following conditions are fulfilled:

(a) the conditions laid down in point (a) or (b) of paragraph 1, as the case may be, as regards the operating carrier; and

(b) the transport service in question forms part of a carriage by the marketing carrier between a point in the territory of its Party and that point in a third country.

3. In respect of each ticket sold involving the arrangements referred to in this Article, the purchaser shall be informed upon reservation of which air carrier will operate each sector of the service. Where that is not possible, or in case of change after reservation, the identity of the operating carrier shall be communicated to the passenger as soon as it is established. In all cases, the identity of the operating carrier or carriers shall be communicated to the passenger at check-in, or before boarding where no check-in is required for a connecting flight.

4. The Parties may require the arrangements referred to in this Article to be approved by their competent authorities for the purpose of verifying compliance with the conditions set out therein and with other requirements provided for in this Agreement, in particular as regards competition, safety and security.

5. In no case shall recourse to code-share or blocked-space arrangements result in the air carriers of the Parties exercising traffic rights on the basis of this Agreement other than those provided for in Article 419.

## **Article 421. Operational Flexibility**

The rights mutually granted by the Parties in accordance with Article 419(2), (3) and (4) shall include, within the limits laid down therein, all of the following prerogatives:

(a) to operate flights in either or both directions;

- (b) to combine different flight numbers within one aircraft operation;
- (c) to serve points in the route schedule in any combination and in any order;
- (d) to transfer traffic between aircraft of the same air carrier at any point (change of gauge);
- (e) to carry stopover traffic through any points whether within or outside the territory of either Party;
- (f) to carry transit traffic through the territory of the other Party;
- (g) to combine traffic on the same aircraft regardless of where such traffic originates;
- (h) to serve more than one point on the same service (co-terminalisation).

## **Article 422. Operating Authorisations and Technical Permissions**

1. On receipt of an application for an operating authorisation from an air carrier of a Party, in the form and manner prescribed, to operate air transport services under this Title, the other Party shall grant the appropriate authorisations and technical permissions with minimum procedural delay, provided that all the following conditions are met:

(a) in the case of an air carrier of the United Kingdom:

- (i) the air carrier is owned, directly or through majority ownership, and is effectively controlled by the United Kingdom, its nationals, or both;
- (ii) the air carrier has its principal place of business in the territory of the United Kingdom, and is licenced in accordance with the law of the United Kingdom; and
- (iii) the air carrier holds an air operator certificate issued by the competent authority of the United Kingdom, which shall be clearly identified, and that authority exercises and maintains effective regulatory control of the air carrier;

(b) in the case of an air carrier of the Union:

- (i) the air carrier is owned, directly or through majority ownership, and is effectively controlled by one or more Member States, by other member states of the European Economic Area, by Switzerland, by nationals of such states, or by a combination thereof;
- (ii) the air carrier has its principal place of business in the territory of the Union and holds a valid operating licence in accordance with Union law; and
- (iii) the air carrier holds an air operator certificate issued by the competent authority of a Member State, or by a Union authority on its behalf, the certifying authority is clearly identified, and that Member State exercises and maintains effective regulatory control of the air carrier. (c) Articles 434 and 435 are being complied with, and
- (d) the air carrier meets the conditions prescribed under the laws and regulations normally applied to the operation of international air transport by the Party considering the application or applications.

2. Notwithstanding point (a)(i) of paragraph 1, the appropriate operating authorisations and permissions shall be granted to air carriers of the United Kingdom provided that all the following conditions are met:

- (a) the conditions laid down in points (a)(ii), (a)(iii), (c) and (d) of paragraph 1 are complied with;
- (b) the air carrier is owned, directly or through majority ownership, and is effectively controlled by one or more Member States, by other member states of the European Economic Area, by Switzerland, by nationals of such states, or by a combination thereof, whether alone or together with the United Kingdom and/or nationals of the United Kingdom;
- (c) on the day the transition period ended the air carrier held a valid operating licence in accordance with Union Law.

3. For the purposes of paragraphs 1 and 2, evidence of effective regulatory control includes but is not limited to:

- (a) the air carrier concerned holding a valid operating licence or permit issued by the competent authority and meeting the criteria of the Party issuing the operating licence or permit for the operation of international air services; and
- (b) that Party having and maintaining safety and security oversight programmes for that air carrier in compliance with ICAO standards.

4. When granting operating authorisations and technical permissions, each Party shall treat all air carriers of the other Party in a non-discriminatory manner.

5. On receipt of an application for an operating authorisation from an air carrier of a Party, the other Party shall recognise any fitness determination or citizenship determination or both made by the first Party with respect to that air carrier as if such determination had been made by its own competent authorities, and shall not enquire further into such matters, except as provided for in Article 424(3).

### **Article 423. Operating Plans, Programmes and Schedules**

Notification of operating plans, programmes or schedules for air services operated under this Title may be required by a Party for information purposes only. Where a Party requires such notification, it shall minimise the administrative burden associated with its notification requirements and procedures that is borne by air transport intermediaries and the air carriers of the other Party.

### **Article 424. Refusal, Revocation, Suspension or Limitation of Operating Authorisation**

1. The Union may take action against an air carrier of the United Kingdom, in accordance with paragraphs 3, 4 and 5 of this Article, in any of the following cases:

(a) in the case of authorisations and permissions granted in accordance with point (a) of Article 422(1), any of the conditions laid down therein is not met;

in the case of authorisations and permissions granted in accordance with Article 422(2), any of the conditions laid down therein is not met;

(c) the air carrier has failed to comply with the laws and regulations referred to in Article 426; or

(d) such action is necessary in order to prevent, protect against or control the spread of disease, or otherwise protect public health.

2. The United Kingdom may take action against an air carrier of the Union in accordance with paragraphs 3, 4 and 5 of this Article in any of the following cases:

(a) any of the conditions laid down in point (b) of Article 422(1) is not met;

(b) the air carrier has failed to comply with the laws and regulations referred to in Article 426; or

(c) such action is necessary in order to prevent, protect against or control the spread of disease, or otherwise protect public health.

3. Where a Party has reasonable grounds to believe that an air carrier of the other Party is in any of the situations referred to in paragraph 1 or 2, as the case may be, and that action must be taken in that respect, that Party shall notify the other Party in writing as soon as possible of the reasons for the intended refusal, suspension or limitation of the operating authorisation or technical permission and request consultations.

4. Such consultations shall start as soon as possible, and not later than 30 days from receipt of the request for consultations. Failure to reach a satisfactory agreement within 30 days or an agreed time period from the starting date of such consultations, or failure to take the agreed corrective action, shall constitute grounds for the Party that requested the consultations to take action to refuse, revoke, suspend, impose conditions on or limit the operating authorisation or technical permissions of the air carrier or air carriers concerned to ensure compliance with Articles 422 and 426. Where measures have been taken to refuse, revoke, suspend or limit the operating authorisation or technical permission of an air carrier, a Party may have recourse to arbitration in accordance with Article 739, without having prior recourse to consultations in accordance with Article 738. An arbitration tribunal shall treat the issue as a case of urgency for the purpose of Article 744. At the request of a Party, the tribunal may, pending its final ruling, order the adoption of interim relief measures, including the modification or suspension of measures taken by either Party under this Article.

5. Notwithstanding paragraphs 3 and 4, in the cases referred to in points (c) and (d) of paragraph 1, and in points (b) and (c) of paragraph 2, a Party may take immediate or urgent action where required by an emergency or to prevent further non-compliance. For the purposes of this paragraph, further non-compliance means that the question of non-compliance has already been raised between the competent authorities of the Parties.

6. This Article is without prejudice to the provisions of Title XI of Heading One, Article 427(4), Article 434(4), (6) and (8) and

Article 435(12) and to the dispute settlement procedure laid down in Title I of Part Six or to the measures resulting therefrom.

## **Article 425. Ownership and Control of Air Carriers**

The Parties recognise the potential benefits of the continued liberalisation of ownership and control of their respective air carriers. The Parties agree to examine in the Specialised Committee on Air Transport options for the reciprocal liberalisation of the ownership and control of their air carriers within 12 months from the entry into force of this Agreement, and thereafter within 12 months of receipt of a request to do so from one of the Parties. As a result of this examination, the Parties may decide to amend this Title.

## **Article 426. Compliance with Laws and Regulations**

1. The laws and regulations of a Party relating to the admission to, operation within, and departure from its territory of aircraft engaged in international air transport shall be complied with by the air carriers of the other Party while entering, operating within, or leaving the territory of that Party, respectively.
2. The laws and regulations of a Party relating to the admission to, operation within, or departure from its territory of passengers, crew, baggage, cargo, or mail on aircraft (including regulations relating to entry, clearance, immigration, passports, customs and quarantine, or in the case of mail, postal regulations) shall be complied with by, or on behalf of, such passengers, crew, baggage, cargo, and mail carried by the air carriers of the other Party while entering, operating within, or leaving the territory of that Party, respectively.
3. The Parties shall permit, in their respective territory, the air carriers of the other Party to take appropriate measures to ensure that only persons with the travel documents required for entry into or transit through the territory of the other Party are carried.

## **Article 427. Non-Discrimination**

1. Without prejudice to Title XI of Heading One, the Parties shall eliminate, within their respective jurisdictions, all forms of discrimination which would adversely affect the fair and equal opportunity of the air carriers of the other Party to compete in the exercise of the rights provided for in this Title.
2. A Party (the "initiating Party") may proceed in accordance with paragraphs 3 to 6 where it considers that its air carriers' fair and equal opportunities to compete in the exercise of the rights provided for in this Title are adversely affected by discrimination prohibited by paragraph 1.
3. The initiating Party shall submit a written request for consultations to the other Party (the "responding Party"). Consultations shall start within a period of 30 days from the receipt of the request, unless otherwise agreed by the Parties.
4. Where the initiating Party and the responding Party fail to reach agreement on the matter within 60 days from the receipt of the request for consultations referred to in paragraph 3, the initiating Party may take measures against all or part of the air carriers which have benefitted from discrimination prohibited by paragraph 1, including action to refuse, revoke, suspend, impose conditions on or limit the operating authorisations or technical permissions of the air carriers concerned.
5. The measures taken pursuant to paragraph 4 shall be appropriate, proportionate and restricted in their scope and duration to what is strictly necessary to mitigate the injury to the air carriers of the initiating Party and remove the undue advantage gained by the air carriers against which they are directed.
6. Where consultations have not resolved the matter or where measures have been taken pursuant to paragraph 4 of this Article, a Party may have recourse to arbitration in accordance with Article 739, without having prior recourse to consultations in accordance with Article 738. An arbitration tribunal shall treat the issue as a case of urgency for the purpose of Article 744. At the request of a Party, the tribunal may, pending its final ruling, order the adoption of interim relief measures, including the modification or suspension of measures taken by either Party under this Article.
7. Notwithstanding paragraph 2, the Parties shall not proceed under paragraphs 3 to 6 in relation to conduct falling under the scope of Title XI of Heading One.

## **Article 428. Doing Business**

1. The Parties agree that obstacles to doing business encountered by air carriers would hamper the benefits under this Title.

The Parties agree to cooperate in removing obstacles to doing business for air carriers of both Parties where such obstacles may hamper commercial operations, create distortions to competition or affect equal opportunities to compete.

2. The Specialised Committee on Air Transport shall monitor progress in effectively addressing matters relating to obstacles to doing business for air carriers.

## **Article 429. Commercial Operations**

1. The Parties shall grant each other the rights laid down in paragraphs 2 to 7. For the purposes of the exercise of those rights, the air carriers of each Party shall not be required to retain a local sponsor.

2. As regards air carrier representatives:

(a) the establishment of offices and facilities by the air carriers of one Party in the territory of the other Party as necessary to provide services under this Title shall be allowed without restriction or discrimination;

(b) without prejudice to safety and security regulations, where such offices and facilities are located in an airport they may be subject to limitations on grounds of availability of space;

(c) each Party shall, in accordance with its laws and regulations relating to entry, residence and employment, authorise the air carriers of the other Party to bring in and maintain in the territory of the authorising Party those of their own managerial, sales, technical, operational, and other specialist staff which the air carrier reasonably considers necessary for the provision of air transport services under this Title. Where employment authorisations are required for the personnel referred to in this paragraph, including those performing certain temporary duties, the Parties shall process applications for such authorisations expeditiously, subject to the relevant laws and regulations.

3. As regards ground handling:

(a) each Party shall permit the air carriers of the other Party to perform self-handling in its territory without restrictions other than those based on considerations of safety or security, or otherwise resulting from physical or operational constraints;

(b) each Party shall not impose on the air carriers of the other Party the choice of one or more providers of ground handling services among those which are present in the market in accordance with the laws and regulations of the Party where the services are provided;

(c) without prejudice to point (a), where the laws and regulations of a Party limit or restrict in any way free competition between providers of ground handling services, that Party shall ensure that all necessary ground handling services are available to the air carriers of the other Party and that they are provided under no less favourable terms than those under which they are provided to any other air carrier.

4. As regards the allocation of slots at airports, each Party shall ensure that its regulations, guidelines and procedures for allocation of slots at the airports in its territory are applied in a transparent, effective, non-discriminatory and timely manner.

5. As regards local expenses and transfer of funds and earnings:

(a) the provisions of Title IV of Heading One apply to the matters governed by this Title, without prejudice to Article 422;

(b) the Parties shall grant each other the benefits laid down in points (c) to (e);

(c) it shall be possible for the sale and purchase of transport and related services by the air carriers of the Parties, at the discretion of the air carrier, to be denominated in pounds sterling if the sale or purchase takes place in the territory of the United Kingdom, or, if the sale or purchase take place in the territory of a Member State, to be denominated in the currency of that Member State;

(d) the air carriers of each Party shall be permitted to pay for local expenses in local currency, at their discretion;

(e) the air carriers of each Party shall be permitted, on demand, to remit revenues obtained in the territory of the other Party from the sale of air transport services and associated activities directly linked to air transport in excess of sums locally disbursed, at any time, in any way, to the country of their choice. Prompt conversion and remittance shall be permitted without restrictions or taxation in respect thereof at the market rate of exchange applicable to current transactions and remittance on the date the carrier makes the initial application for remittance and shall not be subject to any charges except those normally made by banks for carrying out such conversion and remittance.

6. As regards intermodal transport:

(a) in relation to the transport of passengers, the Parties shall not subject surface transport providers to laws and regulations governing air transport on the sole basis that such surface transport is held out by an air carrier under its own name;

(b) subject to any conditions and qualifications set out in Title II of Heading One and its Annexes and in Title I of Heading Three and its Annex, air carriers of each Party shall be permitted, without restriction, to employ in connection with international air transport any surface transport for cargo to or from any points in the territories of the Parties, or in third countries, including transport to and from all airports with customs facilities, and including, where applicable, the right to transport cargo in bond under applicable laws and regulations. Such cargo, whether moving by surface or by air, shall have access to airport customs processing and facilities. Air carriers may elect to perform their own surface transport or to provide it through arrangements, including code share, with other surface transport providers, including surface transport operated by other air carriers and indirect providers of cargo air transport. Such inter-modal cargo services may be offered as a through service and at a single price for the air and surface transport combined, provided that shippers are informed as to the providers of the transport involved.

7. As regards leasing:

(a) the Parties shall grant each other the right for their air carriers to provide air transport services in accordance with Article 419 in all the following ways:

(i) using aircraft leased without crew from any lessor;

(ii) in the case of air carriers of the United Kingdom, using aircraft leased with crew from other air carriers of the Parties;

(iii) in the case of air carriers of the Union, using aircraft leased with crew from other air carriers of the Union;

(iv) using aircraft leased with crew from air carriers other than those referred to in points (ii) and (iii), respectively, provided that the leasing is justified on the basis of exceptional needs, seasonal capacity needs or operational difficulties of the lessee, and the leasing does not exceed the duration which is strictly necessary to fulfil those needs or overcome those difficulties;

(b) the Parties may require leasing arrangements to be approved by their competent authorities for the purpose of verifying compliance with the conditions set out in this paragraph and with the applicable safety and security requirements;

(c) however, where a Party requires such approval, it shall endeavour to expedite the approval procedures and minimise the administrative burden on the air carriers concerned;

(d) the provisions of this paragraph are without prejudice to the laws and regulations of a Party as regards the leasing of aircraft by air carriers of that Party.

## **Article 430. Fiscal Provisions**

1. On arriving in the territory of one Party, aircraft operated in international air transport by the air carriers of the other Party, their regular equipment, fuel, lubricants, consumable technical supplies, ground equipment, spare parts (including engines), aircraft stores (including but not limited to such items as food, beverages and liquor, tobacco and other products destined for sale to, or use by, passengers in limited quantities during flight) and other items intended for or used solely in connection with the operation or servicing of aircraft engaged in international air transport shall, on the basis of reciprocity, and provided that such equipment and supplies remain on board the aircraft, be exempt from all import restrictions, property taxes and capital levies, customs duties, excise taxes, inspection fees, value added tax or other similar indirect taxes, and similar fees and charges imposed by the national or local authorities or the Union.

2. The following goods shall also be exempt, on the basis of reciprocity, from the taxes, levies, duties, fees and charges referred to in paragraph 1:

(a) aircraft stores introduced into or supplied in the territory of a Party and taken on board, within reasonable limits, for use on outbound aircraft of an air carrier of the other Party used in international air transport, even when these stores are to be used on a part of the journey performed over the said territory;

(b) ground equipment and spare parts (including engines) introduced into the territory of a Party for the servicing, maintenance, or repair of aircraft of an air carrier of the other Party used in international air transport;

(c) lubricants and consumable technical supplies other than fuel introduced into or supplied in the territory of a Party for



use in an aircraft of an air carrier of the other Party used in international air transport, even when those supplies are to be used on a part of the journey performed over the said territory; and

(d) printed matter, as provided for by the customs legislation of each Party, introduced into or supplied in the territory of one Party and taken on board for use on outbound aircraft of an air carrier of the other Party engaged in international air transport, even when those stores are to be used on a part of the journey performed over the said territory.

3. The regular airborne equipment, as well as the material, supplies and spare parts referred to in paragraph 1 normally retained on board aircraft operated by an air carrier of one Party may be unloaded in the territory of the other Party only with the approval of the customs authorities of that Party and may be required to be kept under the supervision or control of the said authorities up to such time as they are re-exported or otherwise disposed of in accordance with applicable regulations.

4. The relief from customs duties, national excise duties and similar national fees provided for in this Article shall also be available in situations where the air carrier or air carriers of one Party have entered into arrangements with another air carrier or air carriers for the loan or transfer in the territory of the other Party of the items specified in paragraphs 1 and 2, provided that such other air carrier or air carriers similarly enjoy such relief from that other Party.

5. Nothing in this Title shall prevent either Party from imposing taxes, levies, duties, fees or charges on goods sold other than for consumption on board to passengers during a sector of an air service between two points within its territory at which embarkation or disembarkation is permitted.

6. Baggage and cargo in direct transit across the territory of a Party shall be exempt from taxes, customs duties, fees and other similar charges.

7. Equipment and supplies referred to in paragraph 2 may be required to be kept under the supervision or control of the competent authorities.

8. The provisions of the respective conventions in force between the United Kingdom and Member States for the avoidance of double taxation on income and on capital remain unaffected by this Title.

9. The relief from customs duties, national excise duties and similar national fees shall not extend to charges based on the cost of services provided to an air carrier of a Party in the territory of the other Party.

## **Article 431. User Charges**

1. User charges that may be imposed by one Party on the air carriers of the other Party for the use of air navigation and air traffic control shall be cost-related and non-discriminatory. In any event, any such user charges shall be assessed on the air carriers of the other Party on terms not less favourable than the most favourable terms available to any other air carrier in like circumstances at the time the charges are applied.

2. Without prejudice to Article 429(5), each Party shall ensure that user charges other than those mentioned in paragraph 1 that may be imposed on the air carriers of the other Party are just, reasonable, not unjustly discriminatory, and equitably apportioned among categories of users. User charges imposed on the air carriers of the other Party may reflect, but not exceed, the full cost of providing appropriate airport, airport environmental and aviation security facilities and services at the airport or within the airport system. Such charges may include a reasonable return on assets after depreciation. Facilities and services for which user charges are imposed shall be provided on an efficient and economic basis. In any event, any such user charges shall be assessed on the air carrier of the other Party on terms no less favourable than the most favourable terms available to any other air carrier in like circumstances at the time the charges are applied.

3. In order to ensure the correct application of the principles set out in paragraphs 1 and 2, each Party shall ensure that consultations take place between the competent charging authorities or bodies in its territory and the air carriers using the services and facilities concerned and that the competent charging authorities or bodies and the air carriers exchange such information as may be necessary. Each Party shall ensure that the competent charging authorities provide users with reasonable notice of any proposal for changes in user charges to enable users to express their views before any changes are made.

## **Article 432. Tariffs**

1. The Parties shall allow tariffs to be freely established by the air carriers of the Parties on the basis of fair competition in accordance with this Title.

2. The Parties shall not subject the tariffs of each other's air carriers to approval.

### **Article 433. Statistics**

1. The Parties shall cooperate within the framework of the Specialised Committee on Air Transport to facilitate the exchange of statistical information related to air transport under this Title.

2. Upon request, each Party shall provide the other Party with non-confidential and non-commercially sensitive available statistics related to air transport under this Title, as required by the respective laws and regulations of the Parties, on a non-discriminatory basis, and as may reasonably be required.

### **Article 434. Aviation Safety**

1. The Parties reaffirm the importance of close cooperation in the field of aviation safety.

2. Certificates of airworthiness, certificates of competency and licences issued or rendered valid by one Party and still in force shall be recognised as valid by the other Party and its competent authorities, for the purpose of operating air services under this Title, provided that such certificates or licences were issued or rendered valid pursuant to, and in conformity with, as a minimum, the relevant international standards established under the Convention.

3. Each Party may request consultations at any time concerning the safety standards maintained and administered by the other Party in areas relating to aeronautical facilities, flight crew, aircraft and the operation of aircraft. Such consultations shall take place within 30 days of the request.

4. If, following such consultations, one Party finds that the other Party does not effectively maintain and administer safety standards in the areas referred to in paragraph 2 that are at least equal to the minimum standards established at that time pursuant to the Convention, the first Party shall notify the other Party of those findings and the steps considered necessary to conform with those minimum standards, and the other Party shall take appropriate corrective action. Failure by the other Party to take appropriate action within 15 days or such other period as may be agreed shall be grounds for the requesting Party to refuse, revoke, suspend, impose conditions on or limit the operating authorisations or technical permissions, or to otherwise refuse, revoke, suspend, impose conditions on or limit the operations of the air carriers under the safety oversight of the other Party.

5. Any aircraft operated by, or, under a lease arrangement, on behalf of, an air carrier or air carriers of one Party may, while within the territory of the other Party, be made the subject of a ramp inspection, provided that this does not lead to unreasonable delay in the operation of the aircraft.

6. The ramp inspection or series of ramp inspections can give rise to:

(a) serious concerns that an aircraft or the operation of an aircraft does not comply with the minimum standards established at that time pursuant to the Convention; or

(b) serious concerns that there is a lack of effective maintenance and administration of safety standards established at that time pursuant to the Convention.

In the event that the Party that conducted the ramp inspection or inspections establishes serious concerns as referred to in point (a) or (b), it shall notify the competent authorities of the other Party that are responsible for the safety oversight of the air carrier operating the aircraft of such findings and inform them of the steps considered necessary to conform with those minimum standards. Failure to take appropriate corrective action within 15 days or such other period as may be agreed shall constitute grounds for the first Party to refuse, revoke, suspend, impose conditions on or limit the operating authorisations or technical permissions or to otherwise refuse, revoke, suspend, impose conditions on or limit the operations of the air carrier operating the aircraft.

7. In the event that access for the purpose of undertaking a ramp inspection of an aircraft operated by the air carrier or air carriers of one Party in accordance with paragraph 5 is denied, the other Party shall be free to infer that serious concerns as referred to in paragraph 6 arise and proceed in accordance with paragraph 6.

8. Each Party reserves the right to immediately revoke, suspend or limit the operating authorisations or technical permissions or to otherwise suspend or limit the operations of an air carrier or air carriers of the other Party, if the first Party concludes as a result of a ramp inspection, a series of ramp inspections, a denial of access for ramp inspection, consultation or otherwise, that immediate action is essential to the safety of an air carrier operation. The Party taking such measures shall promptly inform the other Party, providing reasons for its action.

9. Any action by one Party in accordance with paragraph 4, 6 or 8 shall be discontinued once the basis for the taking of that action ceases to exist.

10. Where measures have been taken by a Party pursuant to paragraph 4, 6 or 8, in the event of a dispute a Party may have recourse to arbitration in accordance with Article 739, without having prior recourse to consultations in accordance with Article 738. An arbitration tribunal shall treat the issue as a case of urgency for the purpose of Article 744. At the request of the complaining Party, the tribunal may, pending its final ruling, order the adoption of interim relief measures, including the modification or suspension of measures taken by either Party under this Article.

## **Article 435. Aviation Security**

1. The Parties shall provide upon request all necessary assistance to each other to address any threat to the security of civil aviation, including the prevention of acts of unlawful seizure of civil aircraft and other unlawful acts against the safety of such aircraft, of their passengers and crew, airports and air navigation facilities, and any other threat to the security of civil aviation.

2. The Parties shall, in their mutual relations, act in conformity with the aviation security standards established by ICAO. They shall require that operators of the aircraft in their registries and the operators of airports in their territory, act, at least, in conformity with such aviation security standards. Each Party shall, on request, provide the other Party notification of any difference between its laws, regulations and practices and the aviation security standards referred to in this paragraph. Each Party may at any time request consultations, to be held without delay, with the other Party to discuss those differences.

3. Each Party shall ensure that effective measures are taken within its territory to protect civil aviation against acts of unlawful interference, including, but not limited to, screening of passengers and their cabin baggage, screening of hold baggage, screening and security controls for persons other than passengers, including crew, and their items carried, screening and security controls for cargo, mail, in-flight and airport supplies, and access control to airside and security restricted areas. Each Party agrees that the security provisions of the other Party relating to the admission to, operating within, or departure from its territory of aircraft shall be observed.

4. The Parties shall endeavour to cooperate on aviation security matters to the highest extent, to exchange information on threat, vulnerability and risk, subject to the mutual agreement of appropriate arrangements for the secure transfer, use, storage and disposal of classified information, to discuss and share best practices, performance and detection standards of security equipment, compliance monitoring best practices and results, and in any other area that the Parties may identify. In particular, the Parties shall endeavour to develop and maintain cooperation arrangements between technical experts on the development and recognition of aviation security standards with the aim of facilitating such cooperation, reducing administrative duplication and fostering early notice and prior discussion of new security initiatives and requirements.

5. Each Party shall make available to the other Party on request the results of audits carried out by ICAO and the corrective actions taken by the audited state, subject to the mutual agreement of appropriate arrangements for the secure transfer, use, storage and disposal of such information.

6. The Parties agree to cooperate on security inspections undertaken by them in the territory of either Party through the establishment of mechanisms, including administrative arrangements, for the reciprocal exchange of information on results of such security inspections. The Parties agree to consider positively requests to participate, as observers, in security inspections undertaken by the other Party.

7. Subject to paragraph 9, and with full regard and mutual respect for the other Party's sovereignty, a Party may adopt security measures for entry into its territory. Where possible, that Party shall take into account the security measures already applied by the other Party and any views that the other Party may offer. Each Party recognises that nothing in this Article limits the right of a Party to refuse entry into its territory of any flight or flights that it deems to present a threat to its security.

8. A Party may take emergency measures to meet a specific security threat. Such measures shall be notified immediately to the other Party. Without prejudice to the need to take immediate action in order to protect aviation security, when considering security measures, a Party shall evaluate possible adverse effects on international air transport and, unless constrained by law, shall take such effects into account when it determines what measures are necessary and appropriate to address the security concerns.

9. With regard to air services bound for its territory, a Party may not require security measures to be implemented in the territory of the other Party. Where a Party considers that a specific threat urgently requires the implementation of temporary measures in addition to the measures already in place in the territory of the other Party, it shall, inform the other Party of the particulars of that threat to the extent consistent with the need to protect security information, and of the

proposed measures, The other Party shall give positive consideration to such a proposal, and may decide to implement additional measures as it deems necessary. Such measures shall be proportionate and limited in time.

10. When an incident or threat of an incident of unlawful seizure of civil aircraft or other unlawful acts against the safety of aircraft, passengers, crew, airports or air navigation facilities occurs, the Parties shall assist each other by facilitating communications and other appropriate measures intended to rapidly and safely terminate such incident or threat.

11. Each Party shall take all measures it finds practicable to ensure that an aircraft subjected to an act of unlawful seizure or other acts of unlawful interference which is on the ground in its territory is detained on the ground unless its departure is necessitated by the overriding duty to protect human life. Where practicable, such measures shall be taken on the basis of consultations between the Parties.

12. When a Party has reasonable grounds to believe that the other Party does not comply with this Article, that Party may request immediate consultations with the other Party. Such consultations shall start within 30 days of the receipt of such a request. Failure to reach a satisfactory agreement within 15 days or such other period as may be agreed from the date of such request shall constitute grounds for the Party that requested the consultations to take action to refuse, revoke, suspend, impose conditions on or limit the operating authorisation and technical permissions of an air carrier or air carriers of the other Party to ensure compliance with this Article. When required by an emergency, or to prevent further non-compliance with this Article, a Party may take interim action prior to the expiry of the 15 day-period referred to in this paragraph.

13. Any action taken in accordance with paragraph 8 shall be discontinued when the Party in question considers that the action is no longer required or has been superseded by other measures to mitigate the threat. Any action taken in accordance with paragraph 12 shall be discontinued upon compliance by the other Party with this Article. In the case of action taken in accordance with paragraph 8 or 12, this may be discontinued as mutually agreed by the Parties.

14. Where measures or actions have been taken in accordance with paragraph 7, 8, 9 or 12 of this Article, a Party may have recourse to the dispute settlement provisions of Title I of Part Six. An arbitration tribunal shall treat the issue as a case of urgency for the purpose of Article 744.

## **Article 436. Air Traffic Management**

1. The Parties and their respective competent authorities and air navigation service providers shall cooperate with each other in such a way as to enhance the safe and efficient functioning of air traffic in the European region. The Parties shall seek interoperability between each other's service providers.

2. The Parties agree to cooperate on matters concerning the performance and charging of air navigation services and network functions, with a view to optimising overall flight efficiency, reducing costs, minimising environmental impact and enhancing the safety and capacity of air traffic flows between the existing air traffic management systems of the Parties.

3. The Parties agree to promote cooperation between their air navigation service providers in order to exchange flight data and coordinate traffic flows to optimise flight efficiency, with a view to achieving improved predictability, punctuality and service continuity for air traffic.

4. The Parties agree to cooperate on their air traffic management modernisation programmes, including research, development and deployment activities, and to encourage cross-participation in validation and demonstration activities with the goal of ensuring global interoperability.

## **Article 437. Air Carrier Liability**

The Parties reaffirm their obligations under the Convention for the Unification of Certain Rules for International Carriage by Air, done at Montreal on 28 May 1999 (the "Montreal Convention").

## **Article 438. Consumer Protection**

1. The Parties share the objective of achieving a high level of consumer protection and shall cooperate to that effect.

2. The Parties shall ensure that effective and non-discriminatory measures are taken to protect the interests of consumers in air transport. Such measures shall include the appropriate access to information, assistance including for persons with disabilities and reduced mobility, reimbursement and, if applicable, compensation in case of denied boarding, cancellation or delays, and efficient complaint handling procedures.

3. The Parties shall consult each other on any matter related to consumer protection, including their planned measures in that regard.

## **Article 439. Relationship to other Agreements**

1. Subject to paragraphs 4 and 5, earlier agreements and arrangements relating to the subject matter of this Title between the United Kingdom and the Member States, to the extent that they may not have been superseded by the law of the Union, shall be superseded by this Agreement.

2. The United Kingdom and a Member State may not grant each other any rights in connection with air transport to, from or within their respective territories other than those expressly laid down in this Title, save as provided for in Article 419(4) and (9).

3. If the Parties become party to a multilateral agreement, or endorse a decision adopted by ICAO or another international organisation that addresses matters covered by this Title, they shall consult in the Specialised Committee on Air Transport to determine whether this Title should be revised to take into account such developments.

4. Nothing in this Title shall affect the validity and application of existing and future air transport agreements between the Member States and the United Kingdom as regards territories under their respective sovereignty which are not covered by Article 774.

5. Nothing in this Title shall affect any rights available to the United Kingdom and Member States under the Multilateral Agreement on Commercial Rights of Non-Scheduled Air Services in Europe, signed at Paris on 30 April 1956, to the extent that such rights go beyond those laid down in this Title.

## **Article 440. Suspension and Termination**

1. A suspension of this Title, in whole or in part, pursuant to Article 749, may be implemented no earlier than the first day of the International Air Transport Association (IATA) traffic season following the season during which the suspension has been notified.

2. Upon termination of this Agreement pursuant to Article 779 or upon termination of this Title pursuant to Article 441 or Article 521 or Article 509, the provisions governing the matters falling within the scope of this Title shall continue to apply beyond the date of cessation referred to in Article 779 or Article 441 or Article 521 or Article 509, until the end of the IATA traffic season in progress on that date.

3. The Party suspending this Title, in whole or in part, or terminating this Agreement or this Title shall inform ICAO thereof.

## **Article 441. Termination of this Title**

Without prejudice to Article 779, Article 521, and Article 509 each Party may at any moment terminate this Title, by written notification through diplomatic channels. In that event, this Title shall cease to be in force on the first day of the ninth month following the date of notification.

## **Article 442. Registration of this Agreement**

This Agreement and any amendments thereto shall, insofar as relevant, be registered with ICAO in accordance with Article 83 of the Convention.

## **Title II. AVIATION SAFETY**

### **Article 443. Objectives**

The objectives of this Title are to:

- (a) enable the reciprocal acceptance, as provided for in the Annexes to this Title, of findings of compliance made and certificates issued by either Party's competent authorities or approved organisations;
- (b) promote cooperation toward a high level of civil aviation safety and environmental compatibility;
- (c) facilitate the multinational dimension of the civil aviation industry;

(d) facilitate and promote the free flow of civil aeronautical products and services.

## **Article 444. Definitions**

For the purposes of this Title, the following definitions apply:

(a) "approved organisation" means any legal person certified by the competent authority of either Party to exercise privileges related to the scope of this Title;

(b) "certificate" means any approval, licence or other document issued as a form of recognition of compliance that a civil aeronautical product, an organisation or a legal or natural person complies with the applicable requirements set out in laws and regulations of a Party;

(c) "civil aeronautical product" means any civil aircraft, aircraft engine, or aircraft propeller, or subassembly, appliance, part or component, installed or to be installed thereon;

(d) "competent authority" means a Union or government agency or a government entity responsible for civil aviation safety that is designated by a Party for the purposes of this Title to perform the following functions:

(i) to assess the compliance of civil aeronautical products, organisations, facilities, operations and services subject to its oversight with applicable requirements set out in laws, regulations and administrative provisions of that Party;

(ii) to conduct monitoring of their continued compliance with these requirements; and

(iii) to take enforcement actions to ensure their compliance with these requirements;

(e) "findings of compliance" means a determination of compliance with the applicable requirements set out in laws and regulations of a Party as the result of actions such as testing, inspections, qualifications, approvals and monitoring;

(f) "monitoring" means the regular surveillance by a competent authority of a Party to determine continuing compliance with the applicable requirements set out in laws and regulations of that Party;

(g) "technical agent" means, for the Union, the European Union Aviation Safety Agency ("EASA"), or its successor, and for the United Kingdom, the United Kingdom Civil Aviation Authority ("CAA"), or its successor; and

(h) "the Convention" means the Convention on International Civil Aviation, done at Chicago on 7 December 1944, and includes:

(i) any amendment that has entered into force under Article 94(a) of the Convention and has been ratified by the United Kingdom and the Member State or Member States concerned, as is relevant to the issue in question; and

(ii) any Annex or any amendment thereto adopted under Article 90 of the Convention, insofar as such Annex or amendment is at any given time effective for the United Kingdom and the Member State or Member States concerned, as is relevant to the issue in question.

## **Article 445. Scope and Implementation**

1. The Parties may cooperate in the following areas:

(a) airworthiness certificates and monitoring of civil aeronautical products;

(b) environmental certificates and testing of civil aeronautical products;

(c) design and production certificates and monitoring of design and production organisations;

(d) maintenance organisation certificates and monitoring of maintenance organisations;

(e) personnel licensing and training;

(f) flight simulator qualification evaluation;

(g) operation of aircraft;

(h) air traffic management and air navigation services; and

(i) other areas related to aviation safety subject to Annexes to the Convention.

2. The scope of this Title shall be established by way of Annexes covering each area of cooperation set out in paragraph 1.
3. The Specialised Committee on Aviation Safety may only adopt Annexes as referred to in paragraph 2 where each Party has established that the civil aviation standards, rules, practices, procedures and systems of the other Party ensure a sufficiently equivalent level of safety to permit acceptance of findings of compliance made and certificates issued by its competent authorities or by organisations approved by those competent authorities.
4. Each Annex referred to in paragraph 2 shall describe the terms, conditions and methods for the reciprocal acceptance of findings of compliance and certificates, and, if necessary, transitional arrangements.
5. The technical agents may develop implementation procedures for each individual Annex. Technical differences between the Parties' civil aviation standards, rules, practices, procedures and systems shall be addressed in the Annexes referred to in paragraph 2 and implementation procedures.

### **Article 446. General Obligations**

1. Each Party shall accept findings of compliance made and certificates issued by the other Party's competent authorities or approved organisations, in accordance with the terms and conditions set out in the Annexes referred to in Article 445(2).
2. Nothing in this Title shall entail reciprocal acceptance of the standards or technical regulations of the Parties.
3. Each Party shall ensure that its respective competent authorities remain capable and fulfil their responsibilities under this Title.

### **Article 447. Preservation of Regulatory Authority**

Nothing in this Title shall be construed as limiting the authority of a Party to determine, through its legislative, regulatory and administrative measures, the level of protection it considers appropriate for safety and the environment.

### **Article 448. Safeguard Measures**

1. Either Party may take all appropriate and immediate measures whenever it considers that there is a reasonable risk that a civil aeronautical product, a service or any activity that falls within the scope of this Title may compromise safety or the environment, may not meet its applicable legislative, regulatory or administrative measures, or may otherwise fail to satisfy a requirement within the scope of the applicable Annex to this Title.
2. Where either Party takes measures pursuant to paragraph 1, it shall inform the other Party in writing within 15 working days of taking such measures, providing reasons therefor.

### **Article 449. Communication**

1. The Parties shall designate and notify each other of a contact point for the communication related to the implementation of this Title. All such communications shall be in the English language.
2. The Parties shall notify to each other a list of the competent authorities, and thereafter an updated list each time that becomes necessary.

### **Article 450. Transparency, Regulatory Cooperation and Mutual Assistance**

1. Each Party shall ensure that the other Party is kept informed of its laws and regulations related to this Title and any significant changes to such laws and regulations.
2. The Parties shall to the extent possible inform each other of their proposed significant revisions of their relevant laws, regulations, standards, and requirements, and of their systems for issuing certificates insofar as these revisions may have an impact on this Title. To the extent possible, they shall offer each other an opportunity to comment on such revisions and give due consideration to such comments,
3. For the purpose of investigating and resolving specific safety issues, each Party's competent authorities may allow the other Party's competent authorities to participate as observers in each other's oversight activities as specified in the applicable Annex to this Title.
4. For the purpose of monitoring and inspections, each Party's competent authorities shall assist, if necessary, the other

Party's competent authorities with the objective of providing unimpeded access to regulated entities subject to its oversight.

5. To ensure the continued confidence by each Party in the reliability of the other Party's processes for findings of compliance, each technical agent may participate as an observer in the other's oversight activities, in accordance with procedures set out in the Annexes to this Title. That participation shall not amount to a systematic participation in oversight activity of the other Party.

## **Article 451. Exchange of Safety Information**

The Parties shall, without prejudice to Article 453 and subject to their applicable legislation:

(a) provide each other, on request and in a timely manner, with information available to their technical agents related to accidents, serious incidents or occurrences in relation to civil aeronautical products, services or activities covered by the Annexes to this Title; and

(b) exchange other safety information as the technical agents may agree.

## **Article 452. Cooperation In Enforcement Activities**

The Parties shall, through their technical agents or competent authorities, provide when requested, subject to applicable laws and regulations, as well as to the availability of required resources, mutual cooperation and assistance in investigations or enforcement activities regarding any alleged or suspected violation of laws or regulations falling within the scope of this Title. In addition, each Party shall promptly notify the other Party of any investigation when mutual interests are involved.

## **Article 453. Confidentiality and Protection of Data and Information**

1. Each Party shall, in accordance with its laws and regulations, maintain the confidentiality of data and information received from the other Party under this Title. Such data and information may only be used by the Party receiving the data and information for the purposes of this Title.

2. In particular, subject to their respective laws and regulations, the Parties shall neither disclose to a third party, including the public, nor permit their competent authorities to disclose to a third party, including the public, any data and information received from the other Party under this Title that constitutes trade secrets, intellectual property, confidential commercial or financial information, proprietary data, or information that relates to an ongoing investigation. To that end, such data and information shall be considered to be confidential.

3. A Party or a competent authority of a Party may, upon providing data or information to the other Party or a competent authority of the other Party, designate data or information that it considers to be confidential and not to be subject to disclosure. In that case, the Party or its competent authority shall clearly mark such data or information as confidential.

4. If a Party disagrees with the designation made by the other Party or a competent authority of that Party in accordance with paragraph 3, the former Party may request consultations with the other Party to address the issue.

5. Each Party shall take all reasonable precautions necessary to protect data and information, received under this Title, from unauthorised disclosure.

6. The Party receiving data and information from the other Party under this Title shall not acquire any proprietary rights on such data and information by reason of its receipt from the other Party.

## **Article 454. Adoption and Amendments of Annexes to this Title**

The Specialised Committee on Aviation Safety may amend Annex 30, adopt or amend Annexes as provided for in Article 445(2) and delete any Annex.

## **Article 455. Cost Recovery**

Each Party shall endeavour to ensure that any fees or charges imposed by a Party or its technical agent on a legal or natural person whose activities are covered by this Title shall be just, reasonable and commensurate with the services provided, and shall not create a barrier to trade.

## **Article 456. Other Agreements and Prior Arrangements**



1. Upon entry into force of this Agreement, this Title shall supersede any bilateral aviation safety agreements or arrangements between the United Kingdom and the Member States with respect to any matter covered by this Title that has been implemented in accordance with Article 445.
2. The technical agents shall take necessary measures to revise or terminate, as appropriate, prior arrangements between them.
3. Subject to paragraphs 1 and 2, nothing in this Title shall affect the rights and obligations of the Parties under any other international agreements.

## **Article 457. Suspension of Reciprocal Acceptance Obligations**

1. A Party shall have the right to suspend, in whole or in part, its acceptance obligations under Article 446(1), when the other Party materially violates its obligations under this Title.
2. Before exercising its right to suspend its acceptance obligations, a Party shall request consultations for the purpose of seeking corrective measures of the other Party. During the consultations, the Parties shall, where appropriate, consider the effects of the suspension.
3. Rights under this Article shall be exercised only if the other Party fails to take corrective measures within an appropriate period of time following the consultations, if a Party exercises a right under this Article, it shall notify the other Party of its intention to suspend the acceptance obligations in writing and detail the reasons for suspension.
4. Such suspension shall take effect 30 days after the date of the notification, unless, prior to the end of that period, the Party which initiated the suspension notifies the other Party in writing that it is withdrawing its notification.
5. Such suspension shall not affect the validity of findings of compliance made and certificates issued by the competent authorities or approved organisations of the other Party prior to the date the suspension took effect. Any such suspension that has become effective may be rescinded immediately upon an exchange of diplomatic notes to that effect by the Parties.

## **Article 458. Termination of this Title**

Without prejudice to Article 779, Article 521 and Article 509, each Party may at any moment terminate this Title, by written notification through diplomatic channels. In that event, this Title shall cease to be in force on the first day of the ninth month following the date of notification.

## **HEADING THREE. ROAD TRANSPORT**

### **Title I. TRANSPORT OF GOODS BY ROAD**

#### **Article 459. Objective**

1. The objective of this Title is to ensure, as regards the transport of goods by road, continued connectivity between, through and within the territories of the Parties and to lay down the rules which are applicable to such transport.
2. The Parties agree not to take discriminatory measures when applying this Title.
3. Nothing in this Title shall affect the transport of goods by road within the territory of one of the Parties by a road haulage operator established in that territory.

#### **Article 460. Scope**

1. This Title applies to the transport of goods by road with a commercial purpose between, through and within the territories of the Parties and is without prejudice to the application of the rules established by the European Conference of Ministers of Transport.
2. Any transport of goods by road for which no direct or indirect remuneration is received and which does not directly or indirectly generate any income for the driver of the vehicle or for others, and which is not linked to professional activity shall be considered as the transport of goods for a non-commercial purpose.

#### **Article 461. Definitions**

For the purposes of this Title and in addition to the definitions set out in Article 124, the following definitions apply:

- (a) "vehicle" means a motor vehicle registered in the territory of a Party, or a coupled combination of vehicles of which the motor vehicle is registered in the territory of a Party, and which is used exclusively for the transport of goods;
- (b) "road haulage operator" means any natural or legal person engaged in the transport of goods with a commercial purpose, by means of a vehicle;
- (c) "road haulage operator of a Party" means a road haulage operator which is a legal person established in the territory of a Party or a natural person of a Party;
- (d) "party of establishment" means the Party in which a road haulage operator is established;
- (e) "driver" means any person who drives a vehicle even for a short period, or who is carried in a vehicle as part of his duties to be available for driving if necessary;
- (f) "transit" means the movement of vehicles across the territory of a Party without loading or unloading of goods;
- (g) "regulatory measures" means:
  - (i) for the Union:
    - (A) regulations and directives, as provided for in Article 288 TFEU; and
    - (B) delegated and implementing acts, as provided for in Articles 290 and 291 TFEU, respectively;
  - (ii) for the United Kingdom:
    - (A) primary legislation; and
    - (B) secondary legislation.

## **Article 462. Transport of Goods between, Through and Within the Territories of the Parties**

1. Provided that the conditions in paragraph 2 are fulfilled, road haulage operators of a Party may undertake:

- (a) laden journeys with a vehicle, from the territory of the Party of establishment to the territory of the other Party, and vice versa, with or without transit through the territory of a third country;
- (b) laden journeys with a vehicle from the territory of the Party of establishment to the territory of the same Party with transit through the territory of the other Party;
- (c) laden journeys with a vehicle to or from the territory of the Party of establishment with transit through the territory of the other Party;
- (d) unladen journeys with a vehicle in conjunction with the journeys referred to in points (a), (b) and (c).

2. Road haulage operators of a Party may only undertake a journey referred to in paragraph 1 if:

- (a) they hold a valid licence issued in accordance with Article 463, except in the cases referred to in Article 464; and
- (b) the journey is carried out by drivers who hold a Certificate of Professional Competence in accordance with Article 465(1).

3. Subject to paragraph 6, and provided that the conditions in paragraph 2 are fulfilled, road haulage operators of the United Kingdom may undertake up to two laden journeys from one Member State to another Member State, without returning to the territory of the United Kingdom, provided that such journeys follow a journey from the territory of the United Kingdom permitted under point (a) of paragraph 1.

4. Without prejudice to paragraph 5, subject to paragraph 6 and provided that the conditions in paragraph 2 are fulfilled, road haulage operators of the United Kingdom may undertake one laden journey within the territory of a Member State provided that operation:

- (a) follows a journey from the territory of the United Kingdom permitted under point (a) of paragraph 1; and
- (b) is performed within seven days of the unloading in the territory of that Member State of goods carried on the journey referred to in point (a).

5. Subject to paragraph 6 and provided that the conditions in paragraph 2 are fulfilled, road haulage operators of the United Kingdom established in Northern Ireland may undertake up to two laden journeys within the territory of Ireland provided that such operations:

(a) follow a journey from the territory of Northern Ireland permitted under point (a) of paragraph 1; and

(b) are performed within seven days of the unloading in the territory of Ireland of goods carried on the journey referred to in point (a).

6. Road haulage operators of the United Kingdom shall be limited to a maximum of two journeys within the territory of the Union under paragraphs 3, 4 and 5 before returning to the territory of the United Kingdom.

7. Provided that the conditions in paragraph 2 are fulfilled, road haulage operators of the Union may undertake up to two laden journeys within the territory of the United Kingdom provided that such operations:

(a) follow a journey from the territory of the Union permitted under point (a) of paragraph 1; and

(b) are performed within seven days of the unloading in the territory of the United Kingdom of the goods carried on the journey referred to in point (a).

### **Article 463. Requirements for Operators**

1. Road haulage operators of a Party undertaking a journey referred to in Article 462 shall hold a valid licence issued in accordance with paragraph 2 of this Article.

2. Licences shall only be issued, in accordance with the law of the Parties, to road haulage operators who comply with the requirements set out in Section 1 of Part A of Annex 31 governing the admission to, and the pursuit of, the occupation of road haulage operator.

3. A certified true copy of the licence shall be kept on board the vehicle and shall be presented at the request of any inspecting officers authorised by each Party. The licence and the certified true copies shall correspond to one of the models set out in Appendix 31-A-1-3 of Part A to Annex 31, which also lays down the conditions governing its use. The licence shall contain at least two of the security features listed in Appendix 31-A-1-4 to Part A of Annex 31.

4. Road haulage operators shall comply with the requirements set out in Section 2 of Part A of Annex 31 laying down requirements for the posting of drivers when undertaking a journey referred to in Article 462(3) to (7).

### **Article 464. Exemptions from Licencing Requirement**

The following types of transport of goods and unladen journeys made in conjunction with such transport may be conducted without a valid licence as referred to in Article 463:

(a) transport of mail as a universal service;

(b) transport of vehicles which have suffered damage or breakdown;

(c) until 20 May 2022, transport of goods in motor vehicles the permissible laden mass of which, including that of trailers, does not exceed 3,5 tonnes;

(d) from 21 May 2022, transport of goods in motor vehicles the permissible laden mass of which, including that of trailers, does not exceed 2,5 tonnes;

(e) transport of medicinal products, appliances, equipment and other articles required for medical care in emergency relief, in particular for natural disasters and humanitarian assistance;

(f) transport of goods in vehicles provided that the following conditions are fulfilled:

(i) the goods carried are the property of the road haulage operator or have been sold, bought, let out on hire or hired, produced, extracted, processed or repaired by the operator;

(ii) the purpose of the journey is to carry the goods to or from the road haulage operator's premises or to move them, either inside or outside the operator for its own requirements;

(iii) the vehicles used for such transport are driven by personnel employed by, or put at the disposal of, the road haulage operator under a contractual obligation;

(iv) the vehicles carrying the goods are owned by the road haulage operator, have been bought by it on deferred terms or have been hired; and

(v) such transport is no more than ancillary to the overall activities of the road haulage operator;

(g) transport of goods by means of motor vehicles with a maximum authorised speed not exceeding 40 km/h.

### **Article 465. Requirements for Drivers**

1. Drivers of the vehicles undertaking journeys as referred to in Article 462 shall:

(a) hold a Certificate of Professional Competence issued in accordance with Section 1 of Part B of Annex 31; and

(b) comply with the rules on driving and working time, rest periods, breaks and the use of tachographs in accordance with Sections 2 to 4 of Part B of Annex 31.

2. The European Agreement concerning the Work of Crews of Vehicles Engaged in International Road Transport (AETR), done in Geneva on 1 July 1970, shall apply, instead of point (b) of paragraph 1, to international road transport operations undertaken in part outside the territory of the Parties, for the whole journey.

### **Article 466. Requirements for Vehicles.**

1. A Party shall not reject or prohibit the use in its territory of a vehicle undertaking a journey referred to in Article 462 if the vehicle complies with the requirements set out in Section 1 of Part C of Annex 31.

2. Vehicles undertaking the journeys referred to in Article 462 shall be equipped with a tachograph constructed, installed, used, tested and controlled in accordance with Section 2 of Part C of Annex 31.

### **Article 467. Road Traffic Rules**

Drivers of vehicles undertaking the transport of goods under this Title shall, when in the territory of the other Party, comply with the national laws and regulations in force in that territory concerning road traffic.

### **Article 468. Development of Laws and Specialised Committee on Road Transport**

1. When a Party proposes a new regulatory measure in an area covered by Annex 31, it shall:

(a) notify the other Party of the proposed regulatory measure as soon as possible; and

(b) keep the other Party informed of progress of the regulatory measure.

2. At the request of one of the Parties, an exchange of views shall take place within the Specialised Committee on Road Transport no later than two months after the submission of the request, as to whether the proposed new regulatory measure would apply to journeys referred to in Article 462, or not.

3. When a Party adopts a new regulatory measure referred to in paragraph 1, it shall notify the other Party, and supply the text of the new regulatory measure within one week of its publication.

4. The Specialised Committee on Road Transport shall meet to discuss any new regulatory measure adopted, on request by either Party within two months of the submission of the request, whether or not a notification has taken place in accordance with paragraph 1 or 3, or a discussion has taken place in accordance with paragraph 2.

5. The Specialised Committee on Road Transport may:

(a) amend Annex 31 to take account of regulatory and/or technological developments, or to ensure the satisfactory implementation of this Title;

(b) confirm that the amendments made by the new regulatory measure conform to Annex 31; or

(c) decide on any other measure aimed at safeguarding the proper functioning of this Title.

### **Article 469. Remedial Measures**

1 If a Party considers that the other Party has adopted a new regulatory measure that does not comply with the requirements of Annex 31, in particular in cases where the Specialised Committee on Road Transport has not reached a decision under Article 468, and the other Party nevertheless applies the provisions of the new regulatory measure to the Party's road transport operators, drivers or vehicles, the Party may, after notifying the other Party, adopt appropriate remedial measures, including the suspension of obligations under this Agreement or any supplementing Agreement, provided that such measures:

(a) do not exceed the level equivalent to the nullification or impairment caused by the new regulatory measure adopted by the other Party that does not comply with the requirements of Annex 31; and

(b) take effect at the earliest 7 days after the Party which intends to take such measures has given the other Party notice under this paragraph.

2. The appropriate remedial measures shall cease to apply:

(a) when the Party having taken such measures is satisfied that the other Party is complying with its obligations under this Title; or

(b) in compliance with a ruling of the arbitration tribunal.

3. A Party shall not invoke the WTO Agreement or any other international agreement to preclude the other Party from suspending obligations under this Article.

## **Article 470. Taxation**

1. Vehicles used for the carriage of goods in accordance with this Title shall be exempt from the taxes and charges levied on the possession or circulation of vehicles in the territory of the other Party,

2. The exemption referred to in paragraph 1 shall not apply to: (a) a tax or charge on fuel consumption;

(b) a charge for using a road or network of roads; or

(c) a charge for using particular bridges, tunnels or ferries.

3. The fuel contained in the standard tanks of the vehicles and of special containers, admitted temporarily, which is used directly for the purpose of propulsion and, where appropriate, for the operation, during transport, of refrigeration systems and other systems, as well as lubricants present in the motor vehicles and required for their normal operation during the journey, shall be free of custom duties and any other taxes and levies, such as VAT and excise duties, and shall not be subject to any import restrictions.

4. The spare parts imported for repairing a vehicle on the territory of one Party that has been registered or put into circulation in the other Party, shall be admitted under cover of a temporary duty-free admission and without prohibition or restriction of importation. The replaced parts are subject to customs duties and other taxes (VAT) and shall be re-exported or destroyed under the control of the customs authorities of the other Party.

## **Article 471. Obligations In other Titles**

Articles 135 and 137 are incorporated into and made part of this Title and apply to the treatment of road haulage operators undertaking journeys in accordance with Article 462.

## **Article 472. Termination of this Title**

Without prejudice to Article 779, Article 521 and Article 509, each Party may at any moment terminate this Title, by written notification through diplomatic channels. In that event, this Title shall cease to be in force on the first day of the ninth month following the date of notification.

## **Title II. TRANSPORT OF PASSENGERS BY ROAD**

### **Article 473. Scope**

1. The objective of this Title is to ensure, as regards the transport of passengers by road, continued connectivity between, through and within the territories of the Parties and to lay down the rules which are applicable to such transport. It applies

to the occasional, regular and special regular transport of passengers by coach and bus between, through and within the territories of the Parties.

2. The Parties agree not to take discriminatory measures when applying this Title.

3. Nothing in this Title shall affect the transport of passengers within the territory of one of the Parties by a road passenger transport operator established in that territory.

## **Article 474. Definitions**

For the purposes of this Title and in addition to the definitions set out in Article 124, the following definitions apply:

(a) "coaches and buses" are vehicles which, by virtue of their construction and their equipment, are suitable for carrying more than nine persons, including the driver, and are intended for that purpose;

(b) "passenger transport services" means transport services by road for the public or for specific categories of users, supplied in return for payment by the person transported or by the transport organiser, by means of coaches and buses;

(c) "road passenger transport operator" means any natural person or any legal person, whether having its own legal personality or being dependent upon an authority having such a personality, which supplies passenger transport services;

(d) "road passenger transport operator of a Party" means a road passenger transport operator which is established in the territory of a Party;

(e) "regular services" means passenger transport services supplied at specified frequency along specified routes, whereby passengers may be picked up and set down at predetermined stopping points;

(f) "special regular services" means services by whomsoever organised, which provide for the transport of specified categories of passengers to the exclusion of other passengers, in so far as such services are operated under the conditions specified for regular services. Special regular services shall include:

(i) the transport of workers between home and work, and

(ii) the transport of school pupils and students to and from the educational institution.

The fact that a special regular service may be varied according to the needs of users shall not affect its classification as a regular service;

(g) "group" means any of the following:

(i) one or more associated natural or legal persons and their parent natural or legal person or persons,

(ii) one or more associated natural person or legal persons which have the same parent natural or legal person or persons;

(h) "Interbus Agreement" means the Agreement on the international occasional carriage of passengers by coach and bus, as subsequently amended, which entered into force on 1 January 2003;

(i) "transit" means the movement of coaches and buses across the territory of a Party without picking up or setting down of passengers;

(j) "occasional services" means services which are not regular services or special regular services, and which are characterised above all by the fact that they carry groups of passengers assembled at the initiative of the customer or the road passenger transport operator.

## **Article 475. Passenger Transport by Coach and Bus between, Through and Within the Territories of the Parties**

1. Road passenger transport operators of a Party may, when operating regular and special regular services, undertake laden journeys from the territory of a Party to the territory of the other Party, with or without transit through the territory of a third country, and unladen journeys related to such journeys.

2. Road passenger transport operators of a Party may, when operating regular and special regular services, undertake laden journeys from the territory of the Party, in which the road passenger transport operator is established, to the territory of the same Party with transit through the territory of the other Party, and unladen journeys related to such journeys.

3. A road passenger transport operator of a Party may not operate regular or special regular services with both origin and destination in the territory of the other Party.
4. Where the passenger transport service referred to in paragraph 1 is part of a service to or from the territory of the Party where the road passenger transport operator is established, passengers may be picked up or set down in the territory of the other Party en route, provided the stop is authorised in accordance with the rules applicable in that territory.
5. Where the passenger transport service referred to in this Article is part of an international regular or special regular service between Ireland and the United Kingdom in respect of Northern Ireland, passengers may be picked up and set down in one Party by a road passenger transport operator established in the other Party.
6. Road passenger transport operators established in the territory of one Party may, on a temporary basis, operate occasional services on the island of Ireland which pick up and set down passengers on the territory of the other Party.
7. Road passenger transport operators may, when operating occasional services, undertake a laden journey from the territory of a Party through the territory of the other Party to the territory of a non-Contracting Party to the Interbus Agreement, including a related unladen journey.
8. The passenger transport services referred to in this Article shall be performed using coaches and buses registered in the Party where the road passenger transport operator is established or resides. Those coaches and buses shall comply with the technical standards laid down in Annex 2 to the Interbus Agreement.

## **Article 476. Conditions for the Provision of Services Referred to In Article 475**

1. Regular services shall be open to all road passenger transport operators of a Party, subject to compulsory reservation, where appropriate.
2. Regular and special regular services shall be subject to authorisation in accordance with Article 477 and Paragraph 6 of this Article.
3. The regular nature of the service shall not be affected by any adjustment to the service operating conditions,
4. The organisation of parallel or temporary services, serving the same public as existing regular services, the non-serving of certain stops and the serving of additional stops on existing regular services shall be governed by the same rules as those applicable to existing regular services.
5. Sections V (Social provisions) and VI (Custom and fiscal provisions) of the Interbus Agreement as well as Annexes 1 (Conditions applying to road passenger transport operators) and 2 (Technical standards applying to buses and coaches) thereto shall apply.
6. For a period of six months from the date of entry into force of this Agreement, special regular services shall not be subject to authorisation where they are covered by a contract concluded between the organiser and the road passenger transport operator.
7. Occasional services covered by this Title in accordance with Article 475 shall not require authorisation. However, the organisation of parallel or temporary services comparable to existing regular services and serving the same public as the latter shall be subject to authorisation in accordance with Section VIII of the Interbus Agreement.

## **Article 477. Authorisation**

1. Authorisations for services referred to in Article 475 shall be issued by the competent authority of the Party in whose territory the road passenger transport operator is established (the "authorising authority").
2. If a road passenger transport operator is established in the Union, the authorising authority shall be the competent authority of the Member State of origin or destination.
3. In the case of a group of road passenger transport operators intending to operate a service referred to in Article 475, the authorising authority shall be the competent authority to which the application is addressed in accordance with the second subparagraph of Article 478(1).
4. Authorisations shall be issued in the name of the road passenger transport operator and shall be non-transferable. However, a road passenger transport operator of a Party who has received an authorisation may, with the consent of the authorising authority, operate the service through a subcontractor, if such a possibility is in line with the law of the Party. In

this case, the name of the subcontractor and its role shall be indicated in the authorisation. The subcontractor shall be a road passenger transport operator of a Party and shall comply with all the provisions of this Title.

In the case of a group of road passenger transport operators that intend to operate services referred to in Article 475, the authorisation shall be issued in the names of all the road passenger transport operators of the group and shall state the names of all those operators. It shall be given to the road passenger transport operators entrusted by the other road passenger transport operators of a Party for these purposes and which has requested it, and certified true copies shall be given to the other road passenger transport operators.

5. Without prejudice to Article 479(3), the period of validity of an authorisation shall not exceed five years. It may be set for a shorter period either at the request of the applicant or by mutual consent of the competent authorities of the Parties on whose territories passengers are picked up or set down.

6. Authorisations shall specify the following:

(a) the type of service;

(b) the route of the service, giving in particular the point of departure and the point of arrival;

(c) the period of validity of the authorisation; and

(d) the stops and the timetable.

7. Authorisations shall conform to the model set out in Annex 32.

8. The road passenger transport operator of a Party carrying out a service referred to in Article 475 may use additional vehicles to deal with temporary and exceptional situations. Such additional vehicles may be used only under the same conditions as set out in the authorisation referred to in paragraph 6 of this Article.

In this case, in addition to the documents referred to in Article 483(1) and (2), the road passenger transport operator shall ensure that a copy of the contract between the road passenger transport operator carrying out the regular or special regular service and the undertaking providing the additional vehicles or an equivalent document is carried in the vehicle and presented at the request of any authorised inspecting officer.

## **Article 478. Submission of Application for Authorisation**

1. Applications for authorisation shall be submitted by the road passenger transport operator of a Party to the authorising authority referred to in Article 477(1).

For each service, only one application shall be submitted. In the cases referred to in Article 477(3), it shall be submitted by the operator entrusted by the other operators for these purposes. The application shall be addressed to the authorising authority of the Party in which the road passenger transport operator submitting it is established.

2. Applications for authorisation shall be submitted on the basis of the model set out in Annex 33.

3. The road passenger transport operator applying for authorisation shall provide any further information which it considers relevant or which is requested by the authorising authority, in particular, the documents listed in Annex 33.

## **Article 479. Authorisation Procedure**

1. Authorisations shall be issued in agreement with the competent authorities in the Parties in whose territory passengers are picked up or set down. The authorising authority shall forward to such competent authorities, as well as to the competent authorities whose territories are crossed without passengers being picked up or set down, a copy of the application, together with copies of any other relevant documentation, and its assessment.

In respect of the Union, the competent authorities referred to in the first subparagraph shall be those of the Member States in whose territories passengers are picked up or set down and whose territories are crossed without passengers being picked up or set down.

2. The competent authorities whose agreement has been requested shall notify the authorising authority of their decision regarding the application within four months. This time limit shall be calculated from the date of receipt of the request for agreement which is shown in the acknowledgement of receipt. If the decision received from the competent authorities whose agreement has been requested is negative, it shall contain a proper statement of reasons. If the authorising authority does not receive a reply within four months, the competent authorities consulted shall be deemed to have given their



agreement and the authorising authority may grant the authorisation.

The competent authorities whose territory is crossed without passengers being picked up or set down may notify the authorising authority of their comments within four months,

3. In respect of services that had been authorised under Regulation (EC) No 1073/2009 of the European Parliament and the Council (1) before the end of the transition period and in respect of which the authorisation lapses at the end of the transition period, the following shall apply:

(a) where, subject to the changes necessary to comply with Article 475, the operating conditions are the same as those having been set in the authorisation granted under Regulation (EC) No 1073/2009, the relevant authorising authority under this Title may, on application or otherwise, issue the road transport operator with a corresponding authorisation granted under this Title. Where such an authorisation is issued, the agreement of the competent authorities in whose territories passengers are picked up or set down, as referred to in paragraph 2, shall be deemed to be provided. Those competent authorities and the competent authorities whose territory is crossed without passengers being picked up or set down may, at any time, notify the authorising authority of any comments they may have;

(b) where point (a) is applied, the validity period of the corresponding authorisation granted under this Title shall not extend beyond the last day of the validity period specified in the authorisation previously granted under Regulation (EC) No 1073/2009.

4. The authorising authority shall take a decision on the application no later than six months from the date of submission of the application by the road passenger transport operator.

5. Authorisation shall be granted unless:

(a) the applicant is unable to provide the service which is the subject of the application with equipment directly available to the applicant;

(b) the applicant has not complied with national or international legislation on road transport, and in particular the conditions and requirements relating to authorisations for international road passenger services, or has committed serious infringements of a Party's road transport legislation in particular with regard to the rules applicable to vehicles and driving and rest periods for drivers;

(c) in the case of an application for renewal of authorisation, the conditions of authorisation have not been complied with;

(d) a Party decides on the basis of a detailed analysis that the service concerned would seriously affect the viability of a comparable service covered by one or more public service contracts conforming to the Party's law on the direct sections concerned. In such a case, the Party shall set up criteria, on a non-discriminatory basis, for determining whether the service applied for would seriously affect the viability of the abovementioned comparable service and shall communicate them to the other Party referred to in paragraph 1; or

(e) a Party decides on the basis of a detailed analysis that the principal purpose of the service is not to carry passengers between stops located in the territories of the Parties.

In the event that an existing service seriously affects the viability of a comparable service covered by one or more public service contracts which conform to a Party's law on the direct sections concerned, due to exceptional reasons which could not have been foreseen at the time of granting the authorisation, a Party may, with the agreement of the other Party, suspend or withdraw the authorisation to run the international coach and bus service after having given six months' notice to the road passenger transport operator.

The fact that a road passenger transport operator of a Party offers lower prices than those offered by other road passenger transport operators or the fact that the link in question is already operated by other road passenger transport operators shall not in itself constitute justification for rejecting the application.

6. Having completed the procedure laid down in paragraphs 1 to 5, the authorising authority shall grant the authorisation or formally refuse the application.

Decisions rejecting an application shall state the reasons on which they are based. The Parties shall ensure that transport undertakings are given the opportunity to make representations in the event of their application being rejected.

The authorising authority shall inform the competent authorities of the other Party of its decision and shall send them a copy of any authorisation.

(1) Regulation (EC) No 1073/2009 of the European Parliament and of the Council of 21 October 2009 on common rules for access to the international market for coach and bus services, and amending Regulation (EC) No 561/2006 (recast) (OJ EU L 300, 14.11.2009, p. 88).

## **Article 480. Renewal and Alteration of Authorisation**

1. Article 479 shall apply, mutatis mutandis, to applications for the renewal of authorisations or for alteration of the conditions under which the services subject to authorisation must be carried out.
2. Where the existing authorisation expires within six months from the date of entry into force of this Agreement, the period of time in which the competent authorities referred to in Article 479(2) shall notify the authorising authority of their agreement to, or comments on, the application in accordance with that Article, is two months.
3. In the event of a minor alteration to the operating conditions, in particular the adjustment of intervals, fares and timetables, the authorising authority needs only supply the competent authorities of the other Party with information relating to the alteration. Changing the timetables or intervals in a manner that affects the timing of controls at the borders between the Parties or at third country borders shall not be considered a minor alteration.

## **Article 481. Lapse of an Authorisation**

1. Without prejudice to Article 479(3), an authorisation for a service referred to in Article 475 shall lapse at the end of its period of validity or three months after the authorising authority has received notice from its holder of his or her intention to withdraw the service. Such notice shall contain a proper statement of reasons.
2. Where demand for a service has ceased to exist, the period of notice provided for in paragraph 1 shall be one month.
3. The authorising authority shall inform the competent authorities of the other Party concerned that the authorisation has lapsed.
4. The holder of the authorisation shall notify users of the service concerned of its withdrawal one month in advance by means of appropriate publicity.

## **Article 482. Obligations of Transport Operators**

1. Save in the event of force majeure, the road passenger transport operator of a Party carrying out a service referred to in Article 475 shall launch the service without delay and, until the authorisation expires, take all measures to guarantee a transport service that fulfils the standards of continuity, regularity and capacity and complies with the conditions specified in accordance with Article 477 and Annex 32.
2. The road passenger transport operator of a Party shall display the route of the service, the bus stops, the timetable, the fares and the conditions of carriage in such a way as to ensure that such information is readily available to all users.
3. It shall be possible for the Parties to make changes to the operating conditions governing a service referred to in Article 475 by common agreement and in agreement with the holder of the authorisation.

## **Article 483. Documents to Be Kept on the Coach or Bus**

1. Without prejudice to Article 477(8), the authorisation or a certified true copy thereof to carry out services referred to in Article 475 and the operator's licence of the road passenger transport operator or a certified true copy thereof for the international carriage of passengers by road provided for according to national or Union law shall be kept on the coach or bus and shall be presented at the request of any authorised inspecting officer.
2. Without prejudice to paragraph 1 of this Article as well as to Article 477(8), in the case of a special regular service, the contract between the organiser and the road passenger transport operator or a copy thereof as well as a document evidencing that the passengers constitute a specific category to the exclusion of other passengers for the purposes of a special regular service shall also serve as control documents, shall be kept in the vehicle and shall be presented at the request of any authorised inspecting officer.
3. Road passenger transport operators carrying out occasional services under Article 475(6) and (7) shall carry a completed journey form, using the model set out in Annex 34, Books of journey forms shall be supplied by the competent authority of the territory in which the operator is registered, or by bodies appointed by the competent authority.

## **Article 484. Road Traffic Rules**

Drivers of coaches and buses undertaking the transport of passengers under this Title shall, when in the territory of the other Party, comply with the national laws and regulations in force in that territory concerning road traffic.

## **Article 485. Application**

The provisions of this Title shall cease to apply as of the date the Protocol to the Interbus Agreement regarding the international regular and special regular carriage of passengers by coach and bus enters into force for the United Kingdom, or six months following the entry into force of that Protocol for the Union, whichever is the earliest, except for the purpose of the operations under Article 475(2), (5), (6) and (7).

## **Article 486. Obligations In other Titles**

Articles 135 and 137 are incorporated into and made part of this Title and apply to the treatment of transport operators undertaking journeys in accordance with Article 475.

## **Article 487. Specialised Committee**

The Specialised Committee on Road Transport may amend Annexes 32, 33 and 34 to take into account regulatory developments. It may adopt measures regarding the implementation of this Title.

## **HEADING FOUR. SOCIAL SECURITY COORDINATION AND VISAS FOR SHORT-TERM VISITS**

### **Title I. SOCIAL SECURITY COORDINATION**

#### **Article 488. Overview**

Member States and the United Kingdom shall coordinate their social security systems in accordance with the Protocol on Social Security Coordination, in order to secure the social security entitlements of the persons covered therein.

#### **Article 489. Legally Residing**

1. The Protocol on Social Security Coordination applies to persons legally residing in a Member State or the United Kingdom.
2. Paragraph 1 of this Article shall not affect entitlements to cash benefits which relate to previous periods of legal residence of persons covered by Article SSC.2 of the Protocol on Social Security Coordination.

#### **Article 490. Cross-border Situations**

1. The Protocol on Social Security Coordination only applies to situations arising between one or more Member States and the United Kingdom.
2. The Protocol on Social Security Coordination shall not apply to persons whose situations are confined in all respects either to the United Kingdom, or to the Member States.

#### **Article 491. Immigration Applications.**

The Protocol on Social Security Coordination applies without prejudice to the right of a Member State or the United Kingdom to charge a health fee under national legislation in connection with an application for a permit to enter, to stay, to work, or to reside in that State.

### **Title II. VISAS FOR SHORT-TERM VISITS**

#### **Article 492. Visas for Short-term Visits**

1. The Parties note that on the date of entry into force of this Agreement both Parties provide for visa-free travel for short-term visits in respect of their nationals in accordance with their domestic law. Each Party shall notify the other of any

intention to impose a visa requirement for short-term visits by nationals of the other Party in good time and, if possible, at least three months before such a requirement takes effect.

2. Subject to paragraph 3 of this Article and to Article 781, in the event that the United Kingdom decides to impose a visa requirement for short-term visits on nationals of a Member State, that requirement shall apply to the nationals of all Member States.

3. This Article is without prejudice to any arrangements made between the United Kingdom and Ireland concerning the Common Travel Area.

## **HEADING FIVE. FISHERIES**

### **Chapter 1. INITIAL PROVISIONS**

#### **Article 493. Sovereign Rights of Coastal States Exercised by the Parties**

The Parties affirm that sovereign rights of coastal States exercised by the Parties for the purpose of exploring, exploiting, conserving and managing the living resources in their waters should be conducted pursuant to and in accordance with the principles of international law, including the United Nations Convention on the Law of the Sea.

#### **Article 494. Objectives and Principles**

1. The Parties shall cooperate with a view to ensuring that fishing activities for shared stocks in their waters are environmentally sustainable in the long term and contribute to achieving economic and social benefits, while fully respecting the rights and obligations of independent coastal States as exercised by the Parties.

2. The Parties share the objective of exploiting shared stocks at rates intended to maintain and progressively restore populations of harvested species above biomass levels that can produce the maximum sustainable yield.

3. The Parties shall have regard to the following principles:

(a) applying the precautionary approach to fisheries management;

(b) promoting the long-term sustainability (environmental, social and economic) and optimum utilisation of shared stocks;

(c) basing conservation and management decisions for fisheries on the best available scientific advice, principally that provided by the International Council for the Exploration of the Sea (ICES);

(d) ensuring selectivity in fisheries to protect juvenile fish and spawning aggregations of fish, and to avoid and reduce unwanted bycatch;

(e) taking due account of and minimising harmful impacts of fishing on the marine ecosystem and taking due account of the need to preserve marine biological diversity;

(f) applying proportionate and non-discriminatory measures for the conservation of marine living resources and the management of fisheries resources, while preserving the regulatory autonomy of the Parties;

(g) ensuring the collection and timely sharing of complete and accurate data relevant for the conservation of shared stocks and for the management of fisheries;

(h) ensuring compliance with fisheries conservation and management measures, and combating illegal, unreported and unregulated fishing; and

(i) ensuring the timely implementation of any agreed measures into the Parties' regulatory frameworks,

#### **Article 495. Definitions**

1. For the purposes of this Heading, the following definitions apply:

(a) "EEZ" (of a Party) means, in accordance with the United Nations Convention on the Law of the Sea:

(i) in the case of the Union, the exclusive economic zones established by its Member States adjacent to their European territories;

- (ii) the exclusive economic zone established by the United Kingdom;
- (b) "precautionary approach to fisheries management" means an approach according to which the absence of adequate scientific information does not justify postponing or failing to take management measures to conserve target species, associated or dependent species and non-target species and their environment;
- (c) "shared stocks" means fish, including shellfish, of any kind that are found in the waters of the Parties, which includes molluscs and crustaceans;
- (d) "TAC" means the total allowable catch, which is the maximum quantity of a stock (or stocks) of a particular description that may be caught over a given period;
- (e) "non-quota stocks" means stocks which are not managed through TACs;
- (f) "territorial sea" (of a Party) means, in accordance with the United Nations Convention on the Law of the Sea:
  - (i) in the case of the Union, by way of derogation from Article 774(1), the territorial sea established by its Member States adjacent to their European territories;
  - (ii) the territorial sea established by the United Kingdom;
- (g) "waters" (of a Party) means:
  - (i) in respect of the Union, by way of derogation from Article 774(1), the EEZs of the Member States and their territorial seas;
  - (ii) in respect of the United Kingdom, its EEZ and its territorial sea, excluding for the purposes of Articles 500 and 501 and Annex 38 the territorial sea adjacent to the Bailiwick of Guernsey, the Bailiwick of Jersey and the Isle of Man;
- (h) "vessel" (of a Party) means:
  - (i) in the case of the United Kingdom, a fishing vessel flying the flag of the United Kingdom, registered in the United Kingdom, the Bailiwick of Guernsey, the Bailiwick of Jersey or the Isle of Man, and licensed by a United Kingdom fisheries administration;
  - (ii) in the case of the Union, a fishing vessel flying the flag of a Member State and registered in the Union.

## **Chapter 2. CONSERVATION AND SUSTAINABLE EXPLOITATION**

### **Article 496. Fisheries Management**

1. Each Party shall decide on any measures applicable to its waters in pursuit of the objectives set out in Article 494(1) and (2), and having regard to the principles referred to in Article 494(3).

2. A Party shall base the measures referred to in paragraph 1 on the best available scientific advice.

A Party shall not apply the measures referred to in paragraph 1 to the vessels of the other Party in its waters unless it also applies the same measures to its own vessels.

The second subparagraph is without prejudice to obligations of the Parties under the Port State Measures Agreement, the North East Atlantic Fisheries Commission Scheme of Control and Enforcement, the Northwest Atlantic Fisheries Organisation Conservation and Enforcement Measures, and Recommendation 18-09 by the International Commission for the Conservation of Atlantic Tunas on Port State Measures to Prevent, Deter and Eliminate Illegal, Unreported and Unregulated Fishing.

The Specialised Committee on Fisheries may amend the list of pre-existing international obligations referred to in the third subparagraph.

3. Each Party shall notify the other Party of new measures as referred to in paragraph 1 that are likely to affect the vessels of the other Party before those measures are applied, allowing sufficient time for the other Party to provide comments or seek clarification.

### **Article 497. Authorisations, Compliance and Enforcement**

1. Where vessels have access to fish in the waters of the other Party pursuant to Article 500 and Article 502:

(a) each Party shall communicate in sufficient time to the other Party a list of vessels for which it seeks to obtain authorisations or licences to fish; and

(b) the other Party shall issue authorisations or licences to fish.

2. Each Party shall take all necessary measures to ensure compliance by its vessels with the rules applicable to those vessels in the other Party's waters, including authorisation or licence conditions.

## **Chapter 3. ARRANGEMENTS ON ACCESS TO WATERS AND RESOURCES**

### **Article 498. Fishing Opportunities**

1. By 31 January of each year, the Parties shall cooperate to set the schedule for consultations with the aim of agreeing TACs for the stocks listed in Annex 35 for the following year or years. That schedule shall take into account other annual consultations among coastal States that affect either or both of the Parties.

2. The Parties shall hold consultations annually to agree, by 10 December of each year, the TACs for the following year for the stocks listed in Annex 35. This shall include an early exchange of views on priorities as soon as advice on the level of the TACs is received. The Parties shall agree those TACs:

(a) on the basis of the best available scientific advice, as well as other relevant factors, including socio-economic aspects; and

(b) in compliance with any applicable multi-year strategies for conservation and management agreed by the Parties.

3. The Parties' shares of the TACs for the stocks listed in Annex 35 shall be allocated between the Parties in accordance with the quota shares set out in that Annex.

4. Annual consultations may also cover, inter alia:

(a) transfers of parts of one Party's shares of TACs to the other Party;

(b) a list of stocks for which fishing is prohibited;

(c) the determination of the TAC for any stock which is not listed in Annex 35 or Annex 36 and the Parties' respective shares of those stocks;

(d) measures for fisheries management, including, where appropriate, fishing effort limits;

(e) stocks of mutual interest to the Parties other than those listed in the Annexes to this Heading.

5. The Parties may hold consultations with the aim of agreeing amended TACs if either Party so requests.

6. A written record documenting the arrangements made between the Parties as a result of consultations under this Article shall be produced and signed by the heads of delegation of the Parties.

7. Each Party shall give sufficient notice to the other Party before setting or amending TACs for the stocks listed in Annex 37.

8. The Parties shall set up a mechanism for voluntary in-year transfers of fishing opportunities between the Parties, to take place each year. The Specialised Committee on Fisheries shall decide on the details of this mechanism. The Parties shall consider making transfers of fishing opportunities for stocks which are, or are projected to be, underfished available at market value through that mechanism.

### **Article 499. Provisional TACs**

1. If the Parties have not agreed a TAC for a stock listed in Annex 35 or tables A or B of Annex 36 by 10 December, they shall immediately resume consultations with the continued aim of agreeing the TAC. The Parties shall engage frequently with a view to exploring all possible options for reaching agreement in the shortest possible time.

2. If a stock listed in Annex 35 or in tables A and B of Annex 36 remains without an agreed TAC on 20 December, each Party shall set a provisional TAC corresponding to the level advised by ICES, applying from 1 January.

3. By way of derogation from paragraph 2, the TACs for special stocks shall be set in accordance with guidelines adopted under paragraph 5.

4. For the purposes of this Article, "special stocks" means:

- (a) stocks where the ICES advice is for a zero TAC;
- (b) stocks caught in a mixed fishery, if that stock or another stock in the same fishery is vulnerable; or
- (c) other stocks which the Parties consider require special treatment.

5. The Specialised Committee on Fisheries shall adopt guidelines by 1 July 2021 for the setting of provisional TACs for special stocks.

6. Each year when advice is received from ICES on TACs, the Parties shall discuss, as a priority, the special stocks and the application of any guidelines set under paragraph 5 to the setting of provisional TACs by each Party.

7. Each Party shall set its share for each of the provisional TACs, which shall not exceed its share as set out in the corresponding Annex.

8. The provisional TACs and shares referred to in paragraphs 2, 3 and 7 shall apply until agreement is reached under paragraph 1.

9. Each Party shall, immediately, notify the other Party of its provisional TACs under paragraphs 2 and 3 and its provisional share of each of those TACs under paragraph 7.

## **Article 500. Access to Waters.**

1. Provided that TACs have been agreed, each Party shall grant vessels of the other Party access to fish in its waters in the relevant ICES sub-areas that year. Access shall be granted at a level and on conditions determined in those annual consultations.

2. The Parties may agree, in annual consultations, further specific access conditions in relation

- (a) the fishing opportunities agreed;
- (b) any multi-year strategies for non-quota stocks developed under point (c) of Article 508(1); and
- (c) any technical and conservation measures agreed by the Parties, without prejudice to Article 496,

3. The Parties shall conduct the annual consultations, including on the level and conditions of access referred to in paragraph 1, in good faith and with the objective of ensuring a mutually satisfactory balance between the interests of both Parties.

4. In particular, the outcome of the annual consultations should normally result in each Party granting:

- (a) access to fish the stocks listed in Annex 35 and tables A, B and F of Annex 36 in each other's EEZ (or if access is granted under point (c), in EEZs and in the divisions mentioned in that point) at a level that is reasonably commensurate with the Parties' respective shares of the TACs;
- (b) access to fish non-quota stocks in each other's EEZ (or if access is granted under point (c), in EEZs and in the divisions mentioned in that point), at a level that at least equates to the average tonnage fished by that Party in the waters of the other Party during the period 2012-2016; and
- (c) access to the waters of the Parties between six and twelve nautical miles from the baselines in ICES divisions 4c and 7d-g for qualifying vessels to the extent that Union fishing vessels and United Kingdom fishing vessels had access to those waters on 31 December 2020.

For the purposes of point (c), "qualifying vessel" means a vessel of a Party which fished in the zone mentioned in the previous sentence in four of the years between 2012 and 2016, or its direct replacement.

Annual consultations referred to in point (c) may include appropriate financial commitments and quota transfers between the Parties.

5. During the application of a provisional TAC, and pending an agreed TAC, the Parties shall grant provisional access to fish in the relevant ICES sub-areas as follows:

- (a) for stocks listed in Annex 35 and non-quota stocks, from 1 January until 31 March at the levels provided for in points (a) and (b) of paragraph 4;

(b) for stocks listed in Annex 36 from 1 January until 14 February at the levels provided for in point (a) of paragraph 4; and

(c) in relation to access to fish in the six to twelve nautical miles zone, access in accordance with point (c) of paragraph 4 from 1 January to 31 January at a level equivalent to the average monthly tonnage fished in that zone in the previous three months.

Such access, for each of the relevant stocks in points (a) and (b), shall be in proportion to the average percentage of a Party's share of the annual TAC which that Party's vessels fished in the other Party's waters in the relevant ICES sub-areas during the same period of the previous three calendar years. The same shall apply, *mutatis mutandis*, to access to fish non-quota stocks.

By 15 January in relation to the situation in point (c) of this paragraph, by 31 January in respect of the stocks listed in Annex 36, and by 15 March in respect of all other stocks, each Party shall notify the other Party of the change in the level and conditions of access to waters that will apply as of 1 February in relation to the situation in point (c) of this paragraph, as of 15 February in respect of the stocks listed in Annex 36, and as of 1 April in respect of all other stocks for the relevant ICES sub-areas,

6. Without prejudice to Article 499(1) and (8), after the period of one month in relation to the situation in point (c) of paragraph 5 of this Article, one and a half months in respect of the stocks listed in Annex 36 and three months in respect of all other stocks, the Parties shall seek to agree further provisional access arrangements at the appropriate geographical level with the aim of minimising disruption to fishing activities.

7. In granting access under paragraph 1 of this Article, a Party may take into account compliance of individual or groups of vessels with the applicable rules in its waters during the preceding year, and measures taken by the other Party pursuant to Article 497(2) during the preceding year.

8. This Article shall apply subject to Annex 38.

## **Article 501. Compensatory Measures In Case of Withdrawal or Reduction of Access**

1. Following a notification by a Party ("host Party") under Article 500(5), the other Party ("fishing Party") may take compensatory measures commensurate to the economic and societal impact of the change in the level and conditions of access to waters. Such impact shall be measured on the basis of reliable evidence and not merely on conjecture and remote possibility. Giving priority to those compensatory measures which will least disturb the functioning of this Agreement, the fishing Party may suspend, in whole or in part, access to its waters and the preferential tariff treatment granted to fishery products under Article 21.

2. A compensatory measure referred to in paragraph 1 of this Article may take effect at the earliest seven days after the fishing Party has given notice to the host Party of the intended suspension under paragraph 1 of this Article and, in any case, not earlier than 1 February in relation to the situation in point (c) of Article 500(5), 15 February in respect of Annex 36 and 1 April in respect of other stocks. The Parties shall consult within the Specialised Committee with a view to reaching a mutually agreeable solution. That notification shall identify:

(a) the date upon which the fishing Party intends to suspend; and

(b) the obligations to be suspended and the level of the intended suspension.

3. After the notification of the compensatory measures in accordance with paragraph 2 of this Article, the host Party may request the establishment of an arbitration tribunal pursuant to Article 739, without having recourse to consultations in accordance with Article 738. The arbitration tribunal may only review the conformity of the compensatory measures with paragraph 1 of this Article. The arbitration tribunal shall treat the issue as a case of urgency for the purpose of Article 744.

4. When the conditions for taking compensatory measures referred to in paragraph 1 are no longer met, such measures shall be withdrawn immediately.

5. Following a finding against the fishing Party in the procedure referred to in paragraph 3 of this Article, the host Party may request the arbitration tribunal, within 30 days from its ruling, to determine a level of suspension of obligations under this Agreement not exceeding the level equivalent to the nullification or impairment caused by the application of the compensatory measures, if it finds that the inconsistency of the compensatory measures with paragraph 1 of this Article is significant. The request shall propose a level of suspension in accordance with the principles set out in paragraph 1 of this Article and any relevant principles set out in Article 761.

The host Party may apply the level of suspension of obligations under this Agreement in accordance with the level of



suspension determined by the arbitration tribunal, no sooner than 15 days following such ruling.

6. A Party shall not invoke the WTO Agreement or any other international agreement to preclude the other Party from suspending obligations under this Article.

## **Article 502. Specific Access Arrangements Relating to the Bailiwick of Guernsey, the Bailiwick of Jersey and the Isle of Man**

1. By way of derogation from Article 500(1) and (3) to (7), Article 501 and Annex 38, each Party shall grant vessels of the other Party access to fish in its waters reflecting the actual extent and nature of fishing activity that it can be demonstrated was carried out during the period beginning on 1 February 2017 and ending on 31 January 2020 by qualifying vessels of the other Party in the waters and under any treaty arrangements that existed on 31 January 2020.

2. For the purposes of this Article and, in so far as the other Articles in this Heading apply in relation to the arrangements for access established under this Article:

(a) "qualifying vessel" means, in respect of fishing activity carried out in waters adjacent to the Bailiwick of Guernsey, the Bailiwick of Jersey, the Isle of Man or a Member State, any vessel which fished in the territorial sea adjacent to that territory or that Member State on more than 10 days in any of the three 12 month periods ending on 31 January, or between 1 February 2017 and 31 January 2020;

(b) "vessel" (of a Party) means, in respect of the United Kingdom, a fishing vessel flying the flag of the United Kingdom and registered in the Bailiwick of Guernsey, the Bailiwick of Jersey or the Isle of Man, and licensed by a United Kingdom fisheries administration;

(c) "waters" (of a Party) means:

(i) in respect of the Union, the territorial sea adjacent to a Member State; and

(ii) in respect of the United Kingdom, the territorial sea adjacent to each of the Bailiwick of Guernsey, the Bailiwick of Jersey and the Isle of Man.

3. At the request of either Party, the Partnership Council shall decide, within 90 days of the entry into force of this Agreement, that this Article, Article 503 and any other provisions of this Heading in so far as they relate to the arrangements provided for in those Articles as well as Article 520(3) to (8) shall cease to apply in respect of one or more of the Bailiwick of Guernsey, the Bailiwick of Jersey and the Isle of Man, following 30 days from this decision.

4. The Partnership Council may decide to amend this Article, Article 503 and any other provisions of this Heading in so far as they relate to the arrangements provided for in those Articles.

## **Article 503. Notification Periods Relating to the Importation and Direct Landing of Fishery Products**

1. The Union shall apply the following notification periods to fishery products caught by vessels flying the flag of the United Kingdom and registered in the Bailiwick of Guernsey or the Bailiwick of Jersey in the territorial sea adjacent to those territories or in the territorial sea adjacent to a Member State:

(a) prior notification of between three and five hours before landing fresh fishery products into the Union's territory;

(b) prior notification of between one and three hours of the validated catch certificate for the direct movement of consignments of fishery products by sea before the estimated time of arrival at the place of entry into the Union's territory.

2. For the purposes of this Article only, "fishery products" means all species of marine fish, molluscs and crustaceans.

## **Article 504. Alignment of Management Areas**

1. By 1 July 2021, the Parties shall request advice from ICES on the alignment of the management areas and the assessment units used by ICES for the stocks marked with an asterisk in Annex 35.

2. Within six months of receipt of the advice referred to in paragraph 1, the Parties shall jointly review that advice and shall jointly consider adjustments to the management areas of the stocks concerned, with a view to agreeing consequential changes to the list of stocks and shares set out in Annex 35.

## **Article 505. Shares of TACs for Certain other Stocks**

1. The Parties' respective shares of the TACs for certain other stocks are set out in Annex 36.
2. Each Party shall notify the relevant States and international organisations of its shares in accordance with the sharing arrangement set out in tables A to D of Annex 36.
3. Any subsequent changes to those shares in tables C and D of Annex 36 are a matter for the relevant multilateral fora.
4. Without prejudice to the powers of the Partnership Council in Article 508(3), any subsequent changes to the shares in tables A and B of Annex 36 after 30 June 2026 are a matter for the relevant multilateral fora.
5. Both Parties shall approach the management of those stocks in tables A to D of Annex 36 in accordance with the objectives and principles set out in Article 494.

## **Chapter 4. ARRANGEMENTS ON GOVERNANCE**

### **Article 506. Remedial Measures and Dispute Resolution**

1. In relation to an alleged failure by a Party (the "respondent Party") to comply with this Heading (other than in relation to alleged failures dealt with under paragraph 2), the other Party (the "complaining Party") may, after giving notice to the respondent Party:

(a) suspend, in whole or in part, access to its waters and the preferential tariff treatment granted to fishery products under Article 21; and

(b) if it considers that the suspension referred to in point (a) of this paragraph is not commensurate to the economic and societal impact of the alleged failure, it may suspend, in whole or in part, the preferential tariff treatment of other goods under Article 21; and

(c) if it considers that the suspension referred to in points (a) and (b) of this paragraph is not commensurate to the economic and societal impact of the alleged failure, it may suspend, in whole or in part, obligations under Heading One of this Part with the exception of Title XI. If Heading One of this Part is suspended in whole, Heading Three of this part is also suspended.

2. In relation to an alleged failure by a Party (the "respondent Party") to comply with Article 502, 503 or any other provision of this Heading in so far as it relates to the arrangements provided for in those Articles, the other Party (the "complaining Party"), after giving notice to the respondent Party:

(a) may suspend, in whole or in part, access to its waters within the meaning of Article 502;

(b) if it considers that the suspension referred to in point (a) of this paragraph is not commensurate to the economic and societal impact of the alleged failure, may suspend, in whole or in part, the preferential tariff treatment granted to fishery products under Article 21;

(c) if it considers that the suspension referred to in points (a) and (b) of this paragraph is not commensurate to the economic and societal impact of the alleged failure, may suspend, in whole or in part, the preferential tariff treatment of other goods under Article 21.

By way of derogation from paragraph 1 of this Article, remedial measures affecting the arrangements established under Article 502, Article 503 or any other provision of this Heading in so far as it relates to the arrangements provided for in those Articles may not be taken as a result of an alleged failure by a Party to comply with provisions of this Heading unconnected to those arrangements,

3. Measures referred to in paragraphs 1 and 2 shall be proportionate to the alleged failure by the respondent Party and the economic and societal impact thereof.

4. A measure referred to in paragraphs 1 and 2 may take effect at the earliest seven days after the complaining Party has given the respondent Party notice of the proposed suspension. The Parties shall consult within the Specialised Committee on Fisheries with a view to reaching a mutually agreeable solution. That notification shall identify:

(a) the way in which the complaining Party considers that the respondent Party has failed to comply;

(b) the date upon which the complaining Party intends to suspend; and

(c) the level of intended suspension.

5. The complaining Party must, within 14 days of the notification referred to in paragraph 4 of this Article, challenge the alleged failure by the respondent Party to comply with this Heading, as referred to in paragraphs 1 and 2 of this Article, by requesting the establishment of an arbitration tribunal under Article 739. Recourse to arbitration under this Article shall be made without having prior recourse to consultations under Article 738. An arbitration tribunal shall treat the issue as a case of urgency for the purpose of Article 744.

6. The suspension shall cease to apply when:

(a) the complaining Party is satisfied that the respondent Party is complying with its relevant obligations under this Heading; or

(b) the arbitration tribunal has decided that the respondent Party has not failed to comply with its relevant obligations under this Heading.

7. Following a finding against the complaining Party in the procedure referred to in paragraph 5 of this Article, the respondent Party may request the arbitration tribunal, within 30 days from its ruling, to determine a level of suspension of obligations under this Agreement not exceeding the level equivalent to the nullification or impairment caused by the application of the remedial measures, if it finds that the inconsistency of the remedial measures with paragraph 1 or 2 of this Article is significant. The request shall propose a level of suspension in accordance with paragraph 1 or 2 of this Article and any relevant principles set out in Article 761. The respondent Party may apply the level of suspension of obligations under this Agreement in accordance with the level of suspension determined by the arbitration tribunal, no sooner than 15 days following such ruling.

8. A Party shall not invoke the WTO Agreement or any other international agreement to preclude the other Party from suspending obligations under this Article.

## **Article 507. Data Sharing**

The Parties shall share such information as is necessary to support the implementation of this Heading, subject to each Party's laws.

## **Article 508. Specialised Committee on Fisheries**

1. The Specialised Committee on Fisheries may in particular:

(a) provide a forum for discussion and cooperation in relation to sustainable fisheries management,

(b) consider the development of multi-year strategies for conservation and management as the basis for the setting of TACs and other management measures;

(c) develop multi-year strategies for the conservation and management of non-quota stocks as referred to in point (b) of Article 500(2);

(d) consider measures for fisheries management and conservation, including emergency measures and measures to ensure selectivity of fishing;

(e) consider approaches to the collection of data for science and fisheries management purposes, the sharing of such data (including information relevant to monitoring, controlling and enforcing compliance), and the consultation of scientific bodies regarding the best available scientific advice;

(f) consider measures to ensure compliance with the applicable rules, including joint control, monitoring and surveillance programmes and the exchange of data to facilitate monitoring uptake of fishing opportunities and control and enforcement;

(g) develop the guidelines for setting the TACs referred to in Article 499(5);

(h) make preparations for annual consultations;

(i) consider matters relating to the designation of ports for landings, including the facilitation of the timely notification by the Parties of such designations and of any changes to those designations;

(j) establish timelines for the notification of measures referred to in Article 496(3), the communication of the lists of vessels referred to in Article 497(1) and the notice referred to in Article 498(7);

- (k) provide a forum for consultations under Article 501(2) and Article 506(4);
- (l) develop guidelines to support the practical application of Article 500;
- (m) develop a mechanism for voluntary in-year transfers of fishing opportunities between the Parties, as referred to in Article 498(8); and
- (m) consider the application and implementation of Article 502 and Article 503.

2. The Specialised Committee on Fisheries may adopt measures, including decisions and recommendations:

- (a) recording matters agreed by the Parties following consultations under Article 498;
- (b) in relation to any of the matters referred to in points (b), (c), (d), (e), (f), (g), (i), (j), (l), (m) and (n) of paragraph 1 of this Article;
- (c) amending the list of pre-existing international obligations referred to in Article 496(2);
- (d) in relation to any other aspect of cooperation on sustainable fisheries management under this Heading; and
- (e) on the modalities of a review under Article 510.

3. The Partnership Council shall have the power to amend Annexes 35, 36 and 37.

## **Article 509. Termination**

1. Without prejudice to Article 779 or Article 521, each Party may at any moment terminate this Heading, by written notification through diplomatic channels. In that event, Heading One, Heading Two, Heading Three and this Heading shall cease to be in force on the first day of the ninth month following the date of notification.
2. In the event of termination of this Heading pursuant to paragraph 1 of this Article, Article 779 or Article 521, obligations entered into by the Parties under this Heading for the year ongoing at the time when this Heading ceases to be in force shall continue to apply until the end of the year.
3. Notwithstanding paragraph 1 of this Article, Heading Two may remain in force, if the Parties agree to integrate the relevant parts of Title XI of Heading One.
4. By way of derogation from paragraphs 1 to 3 of this Article and without prejudice to Article 779 or Article 521:
  - (a) unless agreed otherwise between the Parties, Article 502, Article 503 and any other provision of this Heading in so far as it relates to the arrangements provided for in those Articles, shall remain in force until:
    - (i) they are terminated by either Party giving to the other Party three years' written notice of termination; or
    - (ii) if earlier, the date on which Article 520(3) to (5) cease to be in force;
  - (b) for the purposes of point (a)(i), notice of termination may be given in respect of one or more of the Bailiwick of Guernsey, the Bailiwick of Jersey or the Isle of Man and Article 502, Article 503 and any other provision of this Heading in so far as it relates to the arrangements provided for in those Articles, shall continue to be in force for those territories in respect of
  - (c) which a notice of termination has not been given; and for the purposes of point (a)(ii), if Article 520(3) to (5) cease to be in force in relation to one or more (but not all) of the Bailiwick of Guernsey, the Bailiwick of Jersey or the Isle of Man, Article 502, Article 503 and any other provision of this Heading in so far as it relates to the arrangements provided for in those Articles, shall continue to be in force for those territories in respect of which Article 520(3) to (5) remain in force.

## **Article 510. Review Clause**

1. The Parties, within the Partnership Council, shall jointly review the implementation of this Heading four years after the end of the adjustment period referred to in the Article 1 of Annex 38 with the aim of considering whether arrangements, including in relation to access to waters, can be further codified and strengthened.
2. Such a review may be repeated at subsequent intervals of four years after the conclusion of the first review.
3. The Parties shall decide, in advance, on the modalities of the review through the Specialised Committee on Fisheries.
4. The review shall, in particular, allow for an evaluation, in relation to the previous years, of:

- (a) the provisions for access to each other's waters under Article 500;
- (b) the shares of TACs set out in Annexes 35, 36 and 37;
- (c) the number and extent of transfers as part of annual consultations under Article 498(4) and any transfers under Article 498(8);
- (d) the fluctuations in annual TACs;
- (e) compliance by both Parties with the provisions of this Heading and the compliance by vessels of each Party with the rules applicable to those vessels when in the other Party's waters;
- (f) the nature and extent of cooperation under this Heading; and
- (g) any other element the Parties decide, in advance, through the Specialised Committee on Fisheries.

## **Article 511. Relationship with other Agreements**

1. Subject to paragraph 2, this Heading shall be without prejudice to other existing agreements concerning fishing by vessels of a Party within the area of jurisdiction of the other Party.

2. This Heading shall supersede and replace any existing agreements or arrangements with respect to fishing by Union fishing vessels in the territorial sea adjacent to the Bailiwick of Guernsey, the Bailiwick of Jersey or the Isle of Man and with respect to fishing by United Kingdom fishing vessels registered in the Bailiwick of Guernsey, the Bailiwick of Jersey or the Isle of Man in the territorial sea adjacent to a Member State. However, if the Partnership Council takes a decision in accordance with Article 502 for this Agreement to cease to apply in respect of the Bailiwick of Guernsey, the Bailiwick of Jersey or the Isle of Man, the relevant agreements or arrangements shall not be superseded and replaced in respect of the territory or territories for which such a decision has been taken.

## **HEADING SIX. OTHER PROVISIONS**

### **Article 512. Definitions**

Unless otherwise specified, for the purposes of Part Two, the Protocol on mutual administrative assistance in customs matters and the Protocol on administrative cooperation and combating fraud in the field of Value Added Tax and on mutual assistance for the recovery of claims relating to taxes and duties, the following definitions apply:

(a) "customs authority" means:

(i) with respect to the Union, the services of the European Commission responsible for customs matters or, as appropriate, the customs administrations and any other authorities empowered in the Member States of the Union to apply and enforce customs legislation, and

(ii) with respect to the United Kingdom, Her Majesty's Revenue and Customs and any other authority responsible for customs matters;

(b) "customs duty" means any duty or charge of any kind imposed on, or in connection with, the importation of a good but does not include:

(i) a charge equivalent to an internal tax imposed consistently with Article 19;

(ii) an anti-dumping, special safeguard, countervailing or safeguard duty applied consistently with GATT 1994, the Anti-dumping Agreement, the Agreement on Agriculture, the Agreement on Subsidies and Countervailing Measures or the Agreement on Safeguards, as appropriate; or

(iii) a fee or other charge imposed on or in connection with importation that is limited in amount to the approximate cost of the services rendered;

(c) "CPC" means the Provisional Central Product Classification (Statistical Papers Series M No.77, Department of International Economic and Social Affairs, Statistical Office of the United Nations, New York, 1991);

(d) "existing" means in effect on the date of entry into force of this Agreement;

(e) "goods of a Party" means domestic products within the meaning of GATT 1994, and includes originating goods of that Party;

(f) "Harmonised System" or "HS" means the Harmonised Commodity Description and Coding System, including all legal notes and amendments thereto developed by the World Customs Organization;

(g) "heading" means the first four digits in the tariff classification number under the Harmonised System;

(h) "legal person" means any legal entity duly constituted or otherwise organised under applicable law, whether for profit or otherwise, and whether privately-owned or governmentally-owned, including any corporation, trust, partnership, joint venture, sole proprietorship or association;

(i) "measure" means any measure by a Party, whether in the form of a law, regulation, rule, procedure, decision, administrative action, requirement or practice, or any other form; (1) "measures of a Party" means any measures adopted or maintained by:

(1) For greater certainty, the term "measure" includes failures to act.

(i) central, regional or local governments or authorities; and

(ii) non-governmental bodies in the exercise of powers delegated by central, regional or local governments or authorities;

(j) "measures of a Party" includes measures adopted or maintained by entities listed under sub-paragraphs (i) and (ii) by instructing, directing or controlling, either directly or indirectly, the conduct of other entities with regard to those measures;

(k) "natural person of a Party" means (1):

(1) This does not include natural persons residing in the territory referred to in Article 774(3).

(i) for the European Union, a national of a Member State according to its law; (2) and

(2) The definition of natural person also includes persons permanently residing in the Republic of Latvia who are not citizens of the Republic of Latvia or any other state but who are entitled, under the law of the Republic of Latvia, to receive a non-citizen's passport.

(ii) for the United Kingdom, a British citizen;

(l) "person" means a natural person or a legal person;

(m) "sanitary or phytosanitary measure" means any measure referred to in paragraph 1 of Annex A to the SPS Agreement;

(n) "third country" means a country or territory outside the territorial scope of application of this Agreement; and

(o) "WTO" means the World Trade Organization.

## **Article 513. WTO Agreements**

For the purposes of this Agreement, the WTO Agreements are referred to as follows:

(a) "Agreement on Agriculture" means the Agreement on Agriculture, contained in Annex 1A to the WTO Agreement;

(b) "Anti-dumping Agreement" means the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994;

(c) "GATS" means the General Agreement on Trade in Services, contained in Annex 1B to the WTO Agreement;

(d) "GATT 1994" means the General Agreement on Tariffs and Trade 1994, contained in Annex 1A to the WTO Agreement;

(e) "GPA" means the Agreement on Government Procurement in Annex 4 to the WTO Agreement (1);

(1) For greater certainty, the "GPA" shall be understood to be the GPA as amended by the Protocol Amending the Agreement on Government Procurement, done at Geneva on 30 March 2012.

(f) "Safeguards Agreement" means the Agreement on Safeguards, contained in Annex 1A to the WTO Agreement;

(g) "SCM Agreement" means the Agreement on Subsidies and Countervailing Measures, contained in Annex 1A to the WTO Agreement;

(h) "SPS Agreement" means the Agreement on the Application of Sanitary and Phytosanitary Measures, contained in Annex 1A to the WTO Agreement;

(i) "TBT Agreement" means the Agreement on Technical Barriers to Trade, contained in Annex 1 to the WTO Agreement;

(j) "TRIPS Agreement" means the Agreement on Trade-Related Aspects of Intellectual Property Rights, contained in Annex 1C to the WTO Agreement; and

(k) "WTO Agreement" means the Marrakesh Agreement Establishing the World Trade Organization, done at Marrakesh on 15 April 1994.

## **Article 514. Establishment of a Free Trade Area**

The Parties hereby establish a free trade area, in conformity with Article XXIV of GATT 1994 and Article V of GATS

## **Article 515. Relation to the WTO Agreement**

The Parties affirm their rights and obligations with respect to each other under the WTO Agreement and other agreements to which they are party.

Nothing in this Agreement shall be construed as requiring either Party to act in a manner inconsistent with its obligations under the WTO Agreement.

## **Article 516. WTO Case-law**

The interpretation and application of the provisions of this Part shall take into account relevant interpretations in reports of WTO panels and of the Appellate Body adopted by the Dispute Settlement Body of the WTO as well as in arbitration awards under the Dispute Settlement Understanding.

## **Article 517. Fulfilment of Obligations**

Each Party shall adopt any general or specific measures required to fulfil their obligations under this Part, including those required to ensure its observance by central, regional or local governments and authorities, as well as non-governmental bodies in the exercise of powers delegated to them.

## **Article 518. References to Laws and other Agreements**

1. Unless otherwise specified, where reference is made in this Part to laws and regulations of a Party, those laws and regulations shall be understood to include amendments thereto.

2. Unless otherwise specified, where international agreements are referred to or incorporated into this Part, in whole or in part, they shall be understood to include amendments thereto or their successor agreements entering into force for both Parties on or after the date of signature of this Agreement. If any matter arises regarding the implementation or application of the provisions of this Part as a result of such amendments or successor agreements, the Parties may, on request of either Party, consult with each other with a view to finding a mutually satisfactory solution to this matter, as necessary.

## **Article 519. Tasks of the Partnership Council In Part Two**

The Partnership Council may:

(a) adopt decisions to amend:

(i) Chapter 2 of Title I of Heading one of Part two and its Annexes, in accordance with Article 68;

(ii) the arrangements set out in Annexes 16 and 17, in accordance with Article 96(8);

(iii) Appendices 15-A and 15-B, in accordance with Article 2(3) of Annex 15;

(iv) Appendix 15-C, in accordance with Article 3(3) of Annex 15;

- (v) Appendices 14-A, 14-B, 14-C and 14-D, in accordance with Article 1 of Annex 14;
  - (vi) Appendices 12-A, 12-B and 12-C, in accordance with Article 11 of Annex 12;
  - (vii) the Annex on Authorised Economic Operators, the Protocol on mutual administrative assistance in customs matters, the Protocol on combating fraud in the field of Value Added Tax and on mutual assistance for the recovery of claims relating to taxes and duties, and the list of goods set out in Article 117(2), in accordance with Article 122;
  - (viii) the relevant Sub-section under Section B of Annex 25, in accordance with Article 293;
  - (ix) Annexes 26, 27 and 28, in accordance with Article 329;
  - (x) Article 364(4) in accordance with that paragraph, the third sentence of Article 365(2) in accordance with the fourth sentence of that paragraph, Article 365(3) in accordance with that paragraph, Article 367 in accordance with paragraph 1 of that Article and Article 373 in accordance with Paragraph 7 of That Article;
  - (xi) Article 502, Article 503 and any other provision of Heading Five, in accordance with Article 502(4);
  - (xii) Annexes 35, 36 and 37, in accordance with Article 508(3);
  - (xiii) any other provision, protocol, appendix or annex, for which the possibility of such decision is explicitly foreseen in this Part;
- (b) adopt decisions to issue interpretations of the provisions of this Part.

## **Article 520. Geographical Application**

1. The provisions of this Agreement concerning the tariff treatment of goods, including rules of origin and the temporary suspension of this treatment shall also apply, with respect to the Union, to those areas of the customs territory of the Union, as defined by Article 4 of Regulation (EU) No 952/2013 of the European Parliament and of the Council (1), which are not covered by point (a) of Article 774(1).

(1) Regulation (EU) No 952/2013 of the European Parliament and of the Council of 9 October 2013 laying down the Union Customs Code (recast) (OJ EU L 269, 10,10,2013, p. 1).

2. Without prejudice to Article 774(2), (3) and (4), the rights and obligations of the Parties under this Part shall also apply with regard to the areas beyond each Party's territorial sea, including the sea-bed and subsoil thereof, over which that Party exercises sovereign rights or jurisdiction in accordance with international law including the United Nations Convention on the Law of the Sea and its laws and regulations which are consistent with international law (2).

(2) For greater certainty, for the Union, the areas beyond each Party's territorial sea shall be understood as the respective areas of the Member States of the Union.

3. Subject to the exceptions contained in paragraph 4 of this Article, Chapters 1, 2 and 5 of Title I of Heading One and the Protocols and Annexes to those Chapters shall also apply, with respect to the United Kingdom, to the territories referred to in Article 774(2). For that purpose, the territories referred to in Article 774(2) shall be considered as being part of the customs territory of the United Kingdom. The customs authorities of the territories referred to in Article 774(2) shall be responsible for the application and implementation of these Chapters, and the Protocols and Annexes to these Chapters, in their respective territories. References to "customs authority" in those provisions shall be read accordingly. However, requests and communications made under these Chapters, and the Protocols and Annexes to these Chapters, shall be administered by the customs authority of the United Kingdom,

4. Article 110, Annex 18 and the Protocol on administrative cooperation and combating fraud in the field of Value Added Tax and on mutual assistance for the recovery of claims relating to taxes and duties shall not apply to the Bailiwick of Jersey or the Bailiwick of Guernsey.

5. Chapters 3 and 4 of Title I of Heading One and the Annexes to those Chapters shall also apply, with respect to the United Kingdom, to the territories referred to in Article 774(2). The authorities of the territories referred to in Article 774(2) shall be responsible for the application and implementation of these Chapters, and the Annexes to these Chapters, in their respective territories and relevant references shall be read accordingly. However, requests and communications made under these Chapters, and the Annexes to these Chapters, shall be administered by the authorities of the United Kingdom.



6. Without prejudice to Article 779 and Article 521 and unless agreed otherwise between the Parties, paragraphs 3 to 5 of this Article shall remain in force until the earlier of:

(a) expiry of a period of three years following written notice of termination to the other Party; or

(b) the date on which Article 502, Article 503 and any other provision of Heading Five in so far as it relates to the arrangements provided for in those Articles cease to be in force.

7. For the purposes of point (a) of paragraph 6, notice of termination may be given in respect of one or more of the Bailiwick of Guernsey, the Bailiwick of Jersey or the Isle of Man and paragraphs 3 to 5 of this Article shall continue in force for those territories in respect of which a notice of termination has not been given.

8. For the purposes of point (b) of paragraph 6, if Article 502, Article 503 and any other provision of Heading Five in so far as it relates to the arrangements provided for in those Articles cease to be in force in relation to one or more (but not all) of the Bailiwick of Guernsey, the Bailiwick of Jersey or the Isle of Man, paragraphs 3 to 5 of this Article shall continue to be in force for those territories in respect of which Article 502, Article 503 and any other provision of Heading Five in so far as it relates to the arrangements provided for in those Articles remain in force.

## **Article 521. Termination of Part Two**

Without prejudice to Article 779, each Party may at any moment terminate this Part by written notification through diplomatic channels. In that event, this Part shall cease to be in force on the first day of the ninth month following the date of notification. Heading Four and the Protocol on Social Security Coordination shall not be terminated pursuant to this Article.

# **Part THREE. LAW ENFORCEMENT AND JUDICIAL COOPERATION IN CRIMINAL MATTERS**

## **Title I. GENERAL PROVISIONS**

### **Article 522. Objective**

1. The objective of this Part is to provide for law enforcement and judicial cooperation between the Member States and Union institutions, bodies, offices and agencies, on the one side, and the United Kingdom, on the other side, in relation to the prevention, investigation, detection and prosecution of criminal offences and the prevention of and fight against money laundering and financing of terrorism.

2. This Part only applies to law enforcement and judicial cooperation in criminal matters taking place exclusively between the United Kingdom, on the one side, and the Union and the Member States, on the other side. It does not apply to situations arising between the Member States, or between Member States and Union institutions, bodies, offices and agencies, nor does it apply to the activities of authorities with responsibilities for safeguarding national security when acting in that field.

### **Article 523. Definitions**

For the purposes of this Part, the following definitions apply:

(a) "third country" means a country other than a Member State or the United Kingdom;

(b) "special categories of personal data" means personal data revealing racial or ethnic origin, political opinions, religious or philosophical belief", or trade union membership, genetic data, biometric data processed for the purpose of uniquely identifying a natural person, data concerning health or data concerning a natural person's sex life or sexual orientation;

(c) "genetic data" means all personal data relating to the genetic characteristics of an individual that have been inherited or acquired, which give unique information about the physiology or the health of that individual, resulting in particular from an analysis of a biological sample from the individual in question;

(d) "biometric data" means personal data resulting from specific technical processing relating to the physical, physiological or behavioural characteristics of a natural person which allow or confirm the unique identification of that natural person, such as facial images or dactyloscopic data;

(e) "processing" means any operation or set of operations which is performed on personal data or on sets of personal data, whether or not by automated means, such as collection, recording, organisation, structuring, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, restriction, erasure or destruction;

(f) "personal data breach" means a breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to, personal data transmitted, stored or otherwise processed;

(g) "filing system" means any structured set of personal data which are accessible according to specific criteria, whether centralised, decentralised or dispersed on a functional or geographical basis;

(h) "Specialised Committee on Law Enforcement and Judicial Cooperation" means the Committee by that name established by Article 8.

## **Article 524. Protection of Human Rights and Fundamental Freedoms**

1. The cooperation provided for in this Part based on the Parties' and Member States' long-standing respect for democracy, the rule of law and the protection of fundamental rights and freedoms of individuals, including as set out in the Universal Declaration of Human Rights and in the European Convention on Human Rights, and on the importance of giving effect to the rights and freedoms in that Convention domestically.

2. Nothing in this Part modifies the obligation to respect fundamental rights and legal principles as reflected, in particular, in the European Convention on Human Rights and, in the case of the Union and its Member States, in the Charter of Fundamental Rights of the European Union.

## **Article 525. Protection of Personal Data**

1. The cooperation provided for in this Part is based on the Parties' long-standing commitment to ensuring a high level of protection of personal data.

2. To reflect that high level of protection, the Parties shall ensure that personal data processed under this Part is subject to effective safeguards in the Parties' respective data protection regimes, including that:

(a) personal data is processed lawfully and fairly, in compliance with the principles of data minimisation, purpose limitation, accuracy and storage limitation;

(b) processing of special categories of personal data is only permitted to the extent necessary and subject to appropriate safeguards adapted to the specific risks of the processing;

(c) a level of security appropriate to the risk of the processing is ensured through relevant technical and organisational measures, in particular as regards the processing of special categories of personal data;

(d) data subjects are granted enforceable rights of access, rectification and erasure, subject to possible restrictions provided for by law which constitute necessary and proportionate measures in a democratic society to protect important objectives of public interest;

(e) in the event of a data breach creating a risk to the rights and freedoms of natural persons, the competent supervisory authority is notified without undue delay of the breach; where the breach is likely to result in a high risk to the rights and freedoms of natural persons, the data subjects are also notified, subject to possible restrictions provided for by law which constitute necessary and proportionate measures in a democratic society to protect important objectives of public interest;

(f) onward transfers to a third country are allowed only subject to conditions and safeguards appropriate to the transfer ensuring that the level of protection is not undermined;

(g) the supervision of compliance with data protection safeguards and the enforcement of data protection safeguards are ensured by independent authorities; and

(h) data subjects are granted enforceable rights to effective administrative and judicial redress in the event that data protection safeguards have been violated.

3. The United Kingdom, on the one side, and the Union, also on behalf of any of its Member States, on the other side, shall notify the Specialised Committee on Law Enforcement and Judicial Cooperation of the supervisory authorities responsible for overseeing the implementation of, and ensuring compliance with, data protection rules applicable to cooperation under

this Part. The supervisory authorities shall cooperate to ensure compliance with this Part.

4. The provisions on the protection of personal data set out in this Part apply to the processing of personal data wholly or partly by automated means, and to the processing other than by automated means of personal data which form part of a filing system or are intended to form part of a filing system.

5. This Article is without prejudice to the application of any specific provisions in this Part relating to the processing of personal data.

## **Article 526. Scope of Cooperation Where a Member State No Longer Participates In Analogous Measures Under Union Law**

1. This Article applies if a Member State ceases to participate in, or enjoy rights under, provisions of Union law relating to law enforcement and judicial cooperation in criminal matters analogous to any of the relevant provisions of this Part.

2. The United Kingdom may notify the Union in writing of its intention to cease to operate the relevant provisions of this Part in relation to that Member State.

3. A notification given under paragraph 2 takes effect on the date specified there, which shall be no earlier than the date on which the Member State ceases to participate in, or to enjoy rights under, the provisions of Union law referred to in paragraph 1.

4. If the United Kingdom gives notification under this Article of its intention to cease to apply the relevant provisions of this Part, the Specialised Committee on Law Enforcement and Judicial Cooperation shall meet to decide what measures are needed to ensure that any cooperation initiated under this Part that is affected by the cessation is concluded in an appropriate manner. In any event, with regard to all personal data obtained through cooperation under the relevant provisions of this Part before they cease to be applied, the Parties shall ensure that the level of protection under which the personal data were transferred is maintained after the cessation takes effect.

5. The Union shall notify the United Kingdom in writing, through diplomatic channels, of the date on which the Member State is to resume its participation in, or the enjoyment of rights under, the provisions of Union law in question. The application of the relevant provisions of this Part shall be reinstated on that date or, if later, on the first day of the month following the day on which that notification has been given.

6. To facilitate the application of this Article, the Union shall inform the United Kingdom when a Member State ceases to participate in, or enjoy rights under, provisions of Union law relating to law enforcement and judicial cooperation in criminal matters analogous to the relevant provisions of this Part.

## **Title II. EXCHANGES OF DNA, FINGERPRINTS AND VEHICLE REGISTRATION DATA**

### **Article 527. Objective**

The objective of this Title is to establish reciprocal cooperation between the competent law enforcement authorities of the United Kingdom, on the one side, and the Member States, on the other side, on the automated transfer of DNA profiles, dactyloscopic data and certain domestic vehicle registration data.

### **Article 528. Definitions**

For the purposes of this Title, the following definitions apply:

(a) "competent law enforcement authority" means a domestic police, customs or other authority that is authorised by domestic law to detect, prevent and investigate offences or criminal activities and to exercise authority and take coercive measures in the context of such activities; agencies, bodies or other units dealing especially with national security issues are not competent law enforcement authorities for the purposes of this Title;

(b) "search" and "comparison", as referred to in Articles 530, 531, 534 and 539 mean the procedures by which it is established whether there is a match between, respectively, DNA data or dactyloscopic data which have been communicated by one State and DNA data or dactyloscopic data stored in the databases of one, several, or all of the other States;

(c) "automated searching", as referred to in Article 537, means an online access procedure for consulting the databases of one, several, or all of the other States;

- (d) "non-coding part of DNA" means chromosome regions not genetically expressed, ie. not known to provide for any functional properties of an organism;
- (e) "DNA profile" means a letter or numeric code which represents a set of identification characteristics of the non-coding part of an analysed human DNA sample, ie. the particular molecular structure at the various DNA positions (hci);
- (f) "DNA reference data" means DNA profile and reference number, DNA reference data shall only include DNA profiles established from the non-coding part of DNA and a reference number; DNA reference data shall not contain any data from which the data subject can be directly identified; DNA reference data which is not attributed to any natural person (unidentified DNA profiles) shall be recognisable as such;
- (g) "reference DNA profile" means the DNA profile of an identified person;
- (h) "unidentified DNA profile" means the DNA profile obtained from traces collected during the investigation of criminal offences and belonging to a person not yet identified;
- (i) "note" means a State's marking on a DNA profile in its domestic database indicating that there has already been a match for that DNA profile on another State's search or comparison;
- (j) "dactyloscopic data" means fingerprint images, images of fingerprint latents, palm prints, palm print latents and templates of such images (coded minutiae), when they are stored and dealt with in an automated database;
- (k) "dactyloscopic reference data" means dactyloscopic data and reference number; dactyloscopic reference data shall not contain any data from which the data subject can be directly identified; dactyloscopic reference data which is not attributed to any natural person (unidentified dactyloscopic data) shall be recognisable as such;
- (l) "vehicle registration data" means the data-set as specified in Chapter 3 of Annex 39;
- (m) "individual case", as referred to in Article 530(1), second sentence, Article 534(1), second sentence and Article 537(1), means a single investigation or prosecution file; if such a file contains more than one DNA profile, or one piece of dactyloscopic data or vehicle registration data, they may be transmitted together as one request;
- (n) "laboratory activity" means any measure taken in a laboratory when locating and recovering traces on items, as well as developing, analysing and interpreting forensic evidence regarding DNA profiles and dactyloscopic data, with a view to providing expert opinions or exchanging forensic evidence;
- (o) "results of laboratory activities" means any analytical outputs and directly associated interpretation;
- (p) "forensic service provider" means any organisation, public or private, that carries out laboratory activities at the request of competent law enforcement or judicial authorities;
- (q) "domestic accreditation body" means the sole body in a State that performs accreditation with authority derived from the State.

## **Article 529. Establishment of Domestic DNA Analysis Files**

1. The States shall open and keep domestic DNA analysis files for the investigation of criminal offences.
2. For the purpose of implementing this Title, the States shall ensure the availability of DNA reference data from their domestic DNA analysis files as referred to in paragraph 1.
3. The States shall declare the domestic DNA analysis files to which Articles 529 to 532 and Articles 535, 536 and 539 apply and the conditions for automated searching as referred to in Article 530(1).

## **Article 530. Automated Searching of DNA Profiles**

1. For the investigation of criminal offences, States shall allow other States' national contact points as referred to in Article 535 access to the DNA reference data in their DNA analysis files, with the power to conduct automated searches by comparing DNA profiles. Searches may be conducted only in individual cases and in compliance with the requesting State's domestic law.
2. If an automated search shows that a DNA profile supplied matches DNA profiles entered in the requested State's searched file, the requested State shall send to the national contact point of the requesting State in an automated way the DNA reference data with which a match has been found. If no match can be found, this shall be notified automatically.

## **Article 531. Automated Comparison of DNA Profiles**

1. For the investigation of criminal offences, the States, via their national contact points, shall compare the DNA profiles of their unidentified DNA profiles with all DNA profiles from other domestic DNA analysis files' reference data in accordance with mutually accepted practical arrangements between the States concerned. DNA profiles shall be supplied and compared in automated form. Unidentified DNA profiles shall be supplied for comparison only where provided for under the requesting State's domestic law.

2. If a State, as a result of the comparison referred to in paragraph 1, finds that any DNA profiles supplied by another State match any of those in its DNA analysis files, it shall supply that other State's national contact point with the DNA reference data with which a match has been found without delay.

## **Article 532. Collection of Cellular Material and Supply of DNA Profiles**

Where, in ongoing investigations or criminal proceedings, there is no DNA profile available for a particular individual present within a requested State's territory, the requested State shall provide legal assistance by collecting and examining cellular material from that individual and by supplying the DNA profile obtained to the requesting State, if

(a) the requesting State specifies the purpose for which it is required;

(b) the requesting State produces an investigation warrant or statement issued by the competent authority, as required under that State's domestic law, showing that the requirements for collecting and examining cellular material would be fulfilled if the individual concerned were present within the requesting State's territory; and

(c) under the requested State's law, the requirements for collecting and examining cellular material and for supplying the DNA profile obtained are fulfilled.

## **Article 533. Dactyloscopic Data**

For the purpose of implementing this Title, the States shall ensure the availability of dactyloscopic reference data from the file for the domestic automated fingerprint identification systems established for the prevention and investigation of criminal offences.

## **Article 534. Automated Searching of Dactyloscopic Data**

1. For the prevention and investigation of criminal offences, States shall allow other States' national contact points, as referred to in Article 535, access to the reference data in the automated fingerprint identification systems which they have established for that purpose, with the power to conduct automated searches by comparing dactyloscopic data. Searches may be conducted only in individual cases and in compliance with the requesting State's domestic law.

2. The confirmation of a match of dactyloscopic data with reference data held by the requested State shall be carried out by the national contact point of the requesting State by means of the automated supply of the reference data required for a clear match.

## **Article 535. National Contact Points**

1. For the purposes of the supply of data as referred to in Articles 530, 531 and 534, the States shall designate national contact points.

2. In respect of the Member States, national contact points designated for an analogous exchange of data within the Union shall be considered as national contact points for the purpose of this Title.

3. The powers of the national contact points shall be governed by the applicable domestic law.

## **Article 536. Supply of Further Personal Data and other Information**

If the procedure referred to in Articles 530, 531 and 534 show a match between DNA profiles or dactyloscopic data, the supply of further available personal data and other information relating to the reference data shall be governed by the domestic law, including the legal assistance rules, of the requested State, without prejudice to Article 539(1).

## **Article 537. Automated Searching of Vehicle Registration Data**

1, For the prevention and investigation of criminal offences and in dealing with other offences within the jurisdiction of the courts or a public prosecutor in the requesting State, as well as in maintaining public security, States shall allow other States' national contact points, as referred to in paragraph 2, access to the following domestic vehicle registration data, with the power to conduct automated searches in individual cases:

(a) data relating to owners or operators; and

(b) data relating to vehicles.

2. Searches may be conducted under paragraph 1 only with a full chassis number or a full registration number and in compliance with the requesting State's domestic law.

3. For the purposes of the supply of data as referred to in paragraph 1, the States shall designate a national contact point for incoming requests from other States. The powers of the national contact points shall be governed by the applicable domestic law.

## **Article 538. Accreditation of Forensic Service Providers Carrying Out Laboratory Activities**

1, The States shall ensure that their forensic service providers carrying out laboratory activities are accredited by a domestic accreditation body as complying with EN ISO/IEC 17025.

2. Each State shall ensure that the results of accredited forensic service providers carrying out laboratory activities in other States are recognised by its authorities responsible for the prevention, detection, and investigation of criminal offences as being equally reliable as the results of domestic forensic service providers carrying out laboratory activities accredited to EN ISO/IEC 17025.

3. The competent law enforcement authorities of the United Kingdom shall not carry out searches and automated comparison in accordance with Articles 530, 531 and 534 before the United Kingdom has implemented and applied the measures referred to in paragraph 1 of this Article.

4. Paragraphs 1 and 2 do not affect domestic rules on the judicial assessment of evidence. 5. The United Kingdom shall communicate to the Specialised Committee on Law Enforcement and Judicial Cooperation the text of the main provisions adopted to implement and apply the provisions of this Article.

## **Article 539. Implementing Measures**

1. For the purposes of this Title, States shall make all categories of data available for searching and comparison to the competent law enforcement authorities of other States under conditions equal to those under which they are available for searching and comparison by domestic competent law enforcement authorities, States shall supply further available personal data and other information relating to the reference data as referred to in Article 536 to the competent law enforcement authorities of other States for the purposes of this Title under conditions equal to those under which they would be supplied to domestic authorities.

2. For the purpose of implementing the procedures referred to in Articles 530, 531, 534 and 537, technical and procedural specifications are laid down in Annex 39.

3. The declarations made by Member States in accordance with Council Decisions 2008/615/JHA (1) and 2008/616/JHA (2) shall also apply in their relations with the United Kingdom.

(1) Council Decision 2008/615/JHA of 23 June 2008 on the stepping up of cross-border cooperation, particularly in combating terrorism and cross-border crime (OJ EU L 210, 6.8.2008, p. 1).

(2) Council Decision 2008/616/JHA of 23 June 2008 on the implementation of Decision 2008/615/JHA on the stepping up of cross-border cooperation, particularly in combating terrorism and cross-border crime (OJ EU L210, 6.8.2008, p. 12).

## **Article 540. Ex Ante Evaluation**

1. In order to verify whether the United Kingdom has fulfilled the conditions set out in Article 539 and Annex 39, an evaluation visit and a pilot run, to the extent required by Annex 39, shall be carried out in respect of, and under conditions and arrangements acceptable to, the United Kingdom. In any event, a pilot run shall be carried out in relation to the searching of data under Article 537.
2. On the basis of an overall evaluation report on the evaluation visit and, where applicable, the pilot run, as referred to in paragraph 1, the Union shall determine the date or dates from which personal data may be supplied by Member States to the United Kingdom pursuant to this Title.
3. Pending the outcome of the evaluation referred to in paragraph 1, from the date of the entry into force of this Agreement, Member States may supply to the United Kingdom personal data as referred to in Articles 530, 531, 534 and 536 until the date or dates determined by the Union in accordance with paragraph 2 of this Article, but not longer than nine months after the entry into force of this Agreement. The Specialised Committee on Law Enforcement and Judicial Cooperation may extend this period once by a maximum of nine months.

## **Article 541. Suspension and Disapplication**

1. In the event that the Union considers it necessary to amend this Title because Union law relating to the subject matter governed by this Title is amended substantially, or is in the process of being amended substantially, it may notify the United Kingdom accordingly with a view to agreeing on a formal amendment of this Agreement in relation to this Title. Following such notification, the Parties shall engage in consultations.
2. Where within nine months of that notification the Parties have not reached an agreement amending this Title, the Union may decide to suspend the application of this Title or any provisions of this Title for a period of up to nine months. Before the end of that period, the Parties may agree on an extension of the suspension for an additional period of up to nine months. If by the end of the suspension period the Parties have not reached an agreement amending this Title, the suspended provisions shall cease to apply on the first day of the month following the expiry of the suspension period, unless the Union informs the United Kingdom that it no longer seeks any amendment to this Title. In that case, the suspended provisions of this Title shall be reinstated.
3. If any of the provisions of this Title are suspended under this Article, the Specialised Committee on Law Enforcement and Judicial Cooperation shall meet to decide what steps are needed to ensure that any cooperation initiated under this Title and affected by the suspension is concluded in an appropriate manner. In any event, with regard to all personal data obtained through cooperation under this Title before the provisions concerned by the suspension provisionally cease to apply, the Parties shall ensure that the level of protection under which the personal data were transferred is maintained after the suspension takes effect.

## **Title II. TRANSFER AND PROCESSING OF PASSENGER NAME RECORD DATA**

### **Article 542. Scope**

1. This Title lays down rules under which passenger name record data may be transferred to, processed and used by the United Kingdom competent authority for flights between the Union and the United Kingdom, and establishes specific safeguards in that regard.
2. This Title applies to air carriers operating passenger flights between the Union and the United Kingdom.
3. This Title also applies to air carriers incorporated, or storing data, in the Union and operating passenger flights to or from the United Kingdom.
4. This Title also provides for police and judicial cooperation in criminal matters between the United Kingdom and the Union in respect of PNR data.

### **Article 543. Definitions**

For the purposes of this Title, the following definitions apply:

- (a) "air carrier" means an air transport undertaking with a valid operating licence or equivalent permitting it to carry out carriage of passengers by air between the United Kingdom and the Union;
- (b) "passenger name record" ("PNR") means a record of each passenger's travel requirements which contains information necessary to enable reservations to be processed and controlled by the booking and participating air carriers for each

journey booked by or on behalf of any person, whether it is contained in reservation systems, departure control systems used to check passengers into flights, or equivalent systems providing the same functionalities; specifically, as used in this Title, PNR data consists of the elements set out in Annex 40;

(c) "United Kingdom competent authority" means the United Kingdom authority responsible for receiving and processing PNR data under this Agreement; if the United Kingdom has more than one competent authority it shall provide a passenger data single window facility that allows air carriers to transfer PNR data to a single data transmission entry point and shall designate a single point of contact for the purpose of receiving and making requests under Article 546;

(d) "Passenger Information Units" ("PIUs") means the Units established or designated by Member States that are responsible for receiving and processing PNR data;

(e) "terrorism" means any offence listed in Annex 45;

(f) "serious crime" means any offence punishable by a custodial sentence or detention order for a maximum period of at least three years under the domestic law of the United Kingdom.

## **Article 544. Purposes of the Use of PNR Data**

The United Kingdom shall ensure that PNR data received pursuant to this Title is processed strictly for the purposes of preventing, detecting, investigating or prosecuting terrorism or serious crime and for the purposes of overseeing the processing of PNR data within the terms set out in this Agreement,

2. In exceptional cases, the United Kingdom competent authority may process PNR data where necessary to protect the vital interests of any natural person, such as:

(a) a risk of death or serious injury, or

(b) asignificant public health risk, in particular as identified under internationally recognised standards.

3. The United Kingdom competent authority may also process PNR data on a case-by-case basis where the disclosure of relevant PNR data is compelled by a United Kingdom court or administrative tribunal in a proceeding directly related to any of the purposes referred to in paragraph 1.

## **Article 545. Ensuring PNR Data Is Provided**

1. The Union shall ensure that air carriers are not prevented from transferring PNR data to the United Kingdom competent authority pursuant to this Title.

2. The Union shall ensure that air carriers may transfer PNR data to the United Kingdom competent authority through authorised agents, who act on behalf of and under the responsibility of an air carrier, pursuant to this Title.

3. The United Kingdom shall not require an air carrier to provide elements of PNR data which are not already collected or held by the air carrier for reservation purposes.

4. The United Kingdom shall delete any data transferred to it by an air carrier pursuant to this Title upon receipt of that data, if that data element is not listed in Annex 40.

## **Article 546. Police and Judicial Cooperation**

1, The United Kingdom competent authority shall share with Europol or Eurojust, within the scope of their respective mandates, or with the PIUs of the Member States all relevant and appropriate analytical information containing PNR data as soon as possible in specific cases where necessary to prevent, detect, investigate, or prosecute terrorism or serious crime.

2. At the request of Europol or Eurojust, within the scope of their respective mandates, or of the PIU of a Member State, the United Kingdom competent authority shall share PNR data, the results of processing those data, or analytical information containing PNR data, in specific cases where necessary to prevent, detect, investigate, or prosecute terrorism or serious crime.

3. The PIUs of the Member States shall share with the United Kingdom competent authority all relevant and appropriate analytical information containing PNR data as soon as possible in specific cases where necessary to prevent, detect, investigate, or prosecute terrorism or serious crime.



4. At the request of the United Kingdom competent authority, the PIUs of the Member States shall share PNR data, the results of processing those data, or analytical information containing PNR data, in specific cases where necessary to prevent, detect, investigate, or prosecute terrorism or serious crime.

5. The Parties shall ensure that the information referred to in paragraphs 1 to 4 is shared in accordance with agreements and arrangements on law enforcement or information sharing between the United Kingdom and Europol, Eurojust, or the relevant Member State. In particular, the exchange of information with Europol under this Article shall take place through the secure communication line established for the exchange of information through Europol.

6. The United Kingdom competent authority and the PIUs of the Member States shall ensure that only the minimum amount of PNR data necessary is shared under paragraphs 1 to 4.

### **Article 547. Non- Discrimination**

The United Kingdom shall ensure that the safeguards applicable to the processing of PNR data apply to all natural persons on an equal basis without unlawful discrimination.

### **Article 548. Use of Special Categories of Personal Data**

Any processing of special categories of personal data shall be prohibited under this Title. To the extent that any PNR data which is transferred to the United Kingdom competent authority includes special categories of personal data, the United Kingdom competent authority shall delete such data.

### **Article 549. Data Security and Integrity**

1. The United Kingdom shall implement regulatory, procedural or technical measures to protect PNR data against accidental, unlawful or unauthorised access, processing or loss.

2. The United Kingdom shall ensure compliance verification and the protection, security, confidentiality, and integrity of the data. In that regard, the United Kingdom shall:

(a) apply encryption, authorisation, and documentation procedures to the PNR data;

(b) limit access to PNR data to authorised officials;

(c) hold PNR data in a secure physical environment that is protected with access controls; and

(d) establish a mechanism that ensures that PNR data queries are conducted in a manner consistent with Article 544,

3. If a natural person's PNR data is accessed or disclosed without authorisation, the United Kingdom shall take measures to notify that natural person, to mitigate the risk of harm, and to take remedial action.

4. The United Kingdom competent authority shall promptly inform the Specialised Committee on Law Enforcement and Judicial Cooperation of any significant incident of accidental, unlawful or unauthorised access, processing or loss of PNR data.

5. The United Kingdom shall ensure that any breach of data security, in particular any breach leading to accidental or unlawful destruction or accidental loss, alteration, unauthorised disclosure or access, or any unlawful forms of processing, are subject to effective and dissuasive corrective measures which may include sanctions.

### **Article 550. Transparency and Notification of Passengers**

1. The United Kingdom competent authority shall make the following available on its website:

(a) a list of the legislation authorising the collection of PNR data;

(b) the purposes for the collection of PNR data;

(c) the manner of protecting PNR data;

(d) the manner and extent to which PNR data may be disclosed;

(e) information regarding the rights of access, correction, notation and redress; and

(f) contact information for inquiries.

2. The Parties shall work with interested third parties, such as the aviation and air travel industry, to promote transparency at the time of booking regarding the purpose of the collection, processing and use of PNR data, and regarding how to request access, correction and redress. Air carriers shall provide passengers with clear and meaningful information in relation to the transfer of PNR data under this Title, including the details of the recipient authority, the purpose of the transfer and the right to request from the recipient authority, access to and correction of the personal data of the passenger that has been transferred.

3. Where PNR data retained in accordance with Article 552 has been used subject to the conditions set out in Article 553 or has been disclosed in accordance with Article 555 or Article 556, the United Kingdom shall notify the passengers concerned in writing, individually and within a reasonable time once such notification is no longer liable to jeopardise the investigations by the public authorities concerned to the extent that the relevant contact information of the passengers is available or can be retrieved, taking into account reasonable efforts. The notification shall include information on how the natural person concerned can seek administrative or judicial redress.

## **Article 551. Automated Processing of PNR Data**

1. The United Kingdom competent authority shall ensure that any automated processing of PNR data is based on non-discriminatory, specific and reliable pre-established models and criteria to enable it to:

(a) arrive at results targeting natural persons who might be under a reasonable suspicion of involvement or participation in terrorism or serious crime; or

(b) in exceptional circumstances, protect the vital interests of any natural person as set out in Article 544(2).

2. The United Kingdom competent authority shall ensure that the databases against which PNR data are compared are reliable, up to date and limited to those databases it uses in relation to the purposes set out in Article 544,

3. The United Kingdom shall not take any decision adversely affecting a natural person in a significant manner solely on the basis of automated processing of PNR data.

## **Article 552. Retention of PNR Data**

1. The United Kingdom shall not retain PNR data for more than five years from the date that it receives the PNR data.

2. No later than six months after the transfer of the PNR data referred to in paragraph 1, all PNR data shall be depersonalised by masking out the following data elements which could serve to identify directly the passenger to whom the PNR data relate or any other natural person:

(a) names, including the names of other passengers on the PNR and number of passengers on the PNR travelling together;

(b) addresses, telephone numbers and electronic contact information of the passenger, the persons who made the flight reservation for the passenger, persons through whom the air passenger may be contacted and persons who are to be informed in the event of an emergency,

(c) all available payment and billing information, to the extent that it contains any information which could serve to identify a natural person;

(d) frequent flyer information;

(e) other supplementary information (OSD, special service information (SSI) and special service request (SSR) information, to the extent that they contain any information which could serve to identify a natural person; and

(f) any advance passenger information (API) data that have been collected.

3. The United Kingdom competent authority may unmask PNR data only if it is necessary to carry out investigations for the purposes set out in Article 544, Such unmasked PNR data shall be accessible only to a limited number of specifically authorised officials.

4. Notwithstanding paragraph 1, the United Kingdom shall delete the PNR data of passengers after their departure from the country unless a risk assessment indicates the need to retain such PNR data. In order to establish that need, the United Kingdom shall identify objective evidence from which it may be inferred that certain passengers present the existence of a risk in terms of the fight against terrorism and serious crime.

5. For the purposes of paragraph 4, unless information is available on the exact date of departure, the date of departure should be considered as the last day of the period of maximum lawful stay in the United Kingdom of the passenger concerned.
6. The use of the data retained under this Article is subject to the conditions set down in Article 553.
7. An independent administrative body in the United Kingdom shall assess on a yearly basis the approach applied by the United Kingdom competent authority as regards the need to retain PNR data pursuant to paragraph 4.
8. Notwithstanding paragraphs 1, 2 and 4, the United Kingdom may retain PNR data required for any specific action, review, investigation, enforcement action, judicial proceeding, prosecution, or enforcement of penalties, until concluded.
9. The United Kingdom shall delete the PNR data at the end of the PNR data retention period.
10. Paragraph 11 applies due to the special circumstances that prevent the United Kingdom from making the technical adjustments necessary to transform the PNR processing systems which the United Kingdom operated whilst Union law applied to it into systems which would enable PNR data to be deleted in accordance with paragraph 4.
11. The United Kingdom may derogate from paragraph 4 on a temporary basis for an interim period, the duration of which is provided for in paragraph 13, pending the implementation by the United Kingdom of technical adjustments as soon as possible. During the interim period, the United Kingdom competent authority shall prevent the use of the PNR data that is to be deleted in accordance with paragraph 4 by applying the following additional safeguards to that PNR data:
- (a) the PNR data shall be accessible only to a limited number of authorised officials and only where necessary to determine whether the PNR data should be deleted in accordance with paragraph 4;
  - (b) the request to use the PNR data shall be refused in cases where the data is to be deleted in accordance with paragraph 4, and no further access shall be granted to that data where the documentation referred to in point (d) of this paragraph indicates that an earlier request for use has been refused;
  - (c) deletion of the PNR data shall be ensured as soon as possible using best efforts, taking into account the special circumstances referred to in paragraph 10; and
  - (d) the following shall be documented in accordance with Article 554, and such documentation shall be made available to the independent administrative body referred to in paragraph 7 of this Article:
    - (i) any requests to use the PNR data;
    - (ii) the date and time of the access to the PNR data for the purpose of assessing whether deletion of the PNR data was required;
    - (iii) that the request to use the PNR data was refused on the basis that the PNR data should have been deleted under paragraph 4, including the date and time of the refusal; and
    - (iv) the date and time of the deletion of the PNR data in accordance with point (c) of this paragraph.
12. The United Kingdom shall provide to the Specialised Committee on Law Enforcement and Judicial Cooperation, nine months after the entry into force of this Agreement and again a year later if the interim period is extended for a further year:
- (i) a report from the independent administrative body referred to in paragraph 7 of this Article, which shall include the opinion of the United Kingdom supervisory authority referred to in Article 525(3) as to whether the safeguards provided for in paragraph 11 of this Article have been effectively applied; and
  - (ii) the assessment of the United Kingdom of whether the special circumstances referred to in paragraph 10 of this Article persist, together with a description of the efforts made to transform the PNR processing systems of the United Kingdom into systems which would enable PNR data to be deleted in accordance with paragraph 4 of this Article.
13. The Specialised Committee on Law Enforcement and Judicial Cooperation shall meet within one year of the entry into force of this Agreement to consider the report and assessment provided under paragraph 12. Where the special circumstances referred to in paragraph 10 persist, the Partnership Council shall extend the interim period referred to in paragraph 11 for one year. The Partnership Council shall extend the interim period for one further final year, under the same conditions and following the same procedure as for the first extension where, in addition, substantial progress has been made, although it has not yet been possible to transform the United Kingdom PNR processing systems into systems which would enable PNR data to be deleted in accordance with paragraph 4.

14. If the United Kingdom considers that a refusal by the Partnership Council to grant either of those extensions was not justified, it may suspend this Title with one month's notice.

15. On the third anniversary of the date of entry into force of this Agreement, paragraphs 10 to 14 shall cease to apply.

### **Article 553. Conditions for the Use of PNR Data**

1. The United Kingdom competent authority may use PNR data retained in accordance with Article 552 for purposes other than security and border control checks, including any disclosure under Article 555 and Article 556, only where new circumstances based on objective grounds indicate that the PNR data of one or more passengers might make an effective contribution to the attainment of the purposes set out in Article 544.

2. Use of PNR data by the United Kingdom competent authority in accordance with paragraph 1 shall be subject to prior review by a court or by an independent administrative body in the United Kingdom based on a reasoned request by the United Kingdom competent authority submitted within the domestic legal framework of procedures for the prevention, detection or prosecution of crime, except:

(a) in cases of validly established urgency, or

(b) for the purpose of verifying the reliability and currency of the pre-established models and criteria on which the automated processing of PNR data is based, or of defining new models and criteria for such processing,

### **Article 554. Logging and Documenting of PNR Data Processing**

The United Kingdom competent authority shall log and document all processing of PNR data. It shall only use such logging or documentation to:

(a) self-monitor and to verify the lawfulness of data processing;

(b) ensure proper data integrity;

(c) ensure the security of data processing, and

(d) ensure oversight.

### **Article 555. Disclosure Within the United Kingdom**

1. The United Kingdom competent authority shall not disclose PNR data to other public authorities in the United Kingdom unless the following conditions are met:

(a) the PNR data is disclosed to public authorities whose functions are directly related to the purposes set out in Article 544;

(b) the PNR data is disclosed only on a case-by-case basis;

(c) the disclosure is necessary, in the particular circumstances, for the purposes set out in Article 544;

(d) only the minimum amount of PNR data necessary is disclosed;

(e) the receiving public authority affords protection equivalent to the safeguards described in this Title; and

(f) the receiving public authority does not disclose the PNR data to another entity unless the disclosure is authorised by the United Kingdom competent authority in accordance with the conditions laid down in this paragraph.

2. When transferring analytical information containing PNR data obtained under this Title, the safeguards set out in this Article shall apply.

### **Article 556. Disclosure Outside the United Kingdom**

1. The United Kingdom shall ensure that the United Kingdom competent authority does not disclose PNR data to public authorities in third countries unless all the following conditions are met:

(a) the PNR data is disclosed to public authorities whose functions are directly related to the purposes set out in Article 544;

(b) the PNR data is disclosed only on a case-by-case basis;

(c) the PNR data is disclosed only if necessary for the purposes set out in Article 544;

(d) only the minimum amount of PNR data necessary is disclosed; and

(e) the third country to which the PNR data is disclosed has either concluded an agreement with the Union that provides for the protection of personal data comparable to this Agreement or is subject to a decision of the European Commission pursuant to Union law that finds that the third country ensures an adequate level of data protection within the meaning of Union law.

2. As an exception to point (e) of paragraph 1, the United Kingdom competent authority may transfer PNR data to a third country if

(a) the head of that authority, or a senior official specifically mandated by the head, considers that the disclosure is necessary for the prevention and investigation of a serious and imminent threat to public security or to protect the vital interests of any natural person; and

(b) the third country provides a written assurance, pursuant to an arrangement, agreement or otherwise, that the information shall be protected in line with the safeguards applicable under United Kingdom law to the processing of PNR data received from the Union, including those set out in this Title.

3. A transfer in accordance with paragraph 2 of this Article shall be documented. Such documentation shall be made available to the supervisory authority referred to in Article 525) on request, including the date and time of the transfer, information about the receiving authority, the justification for the transfer and the PNR data transferred.

4. If in accordance with paragraph 1 or 2, the United Kingdom competent authority discloses PNR data collected under this Title that originates in a Member State, the United Kingdom competent authority shall notify the authorities of that Member State of the disclosure at the earliest appropriate opportunity. The United Kingdom shall make that notification in accordance with agreements or arrangements on law enforcement or information sharing between the United Kingdom and that Member State.

5. When transferring analytical information containing PNR data obtained under this Title, the safeguards set out in this Article shall apply.

## **Article 557. Method of Transfer**

Air carriers shall transfer PNR data to the United Kingdom competent authority exclusively on the basis of the "push method", a method by which air carriers transfer PNR data into the database of the United Kingdom competent authority, and in accordance with the following procedures to be observed by air carriers, by which they:

(a) transfer PNR data by electronic means in compliance with the technical requirements of the United Kingdom competent authority or, in the case of a technical failure, by any other appropriate means ensuring an appropriate level of data security;

(b) transfer PNR data using a mutually accepted messaging format, and

(c) transfer PNR data in a secure manner using common protocols as required by the United Kingdom competent authority.

## **Article 558. Frequency of Transfer**

1. The United Kingdom competent authority shall require air carriers to transfer the PNR data:

(a) initially from no earlier than 96 hours before the scheduled flight service departure time; and

(b) a maximum number of five times as specified by the United Kingdom competent authority.

2. The United Kingdom competent authority shall permit air carriers to limit the transfer referred to in point (b) of paragraph 1 to updates of the PNR data transferred as referred to in point (a) of that paragraph.

3. The United Kingdom competent authority shall inform air carriers of the specified times for the transfers.

4. In specific cases where there is an indication that additional access to PNR data is necessary to respond to a specific threat related to the purposes set out in Article 544, the United Kingdom competent authority may require an air carrier to provide PNR data prior to, between or after the scheduled transfers. In exercising that discretion, the United Kingdom competent authority shall act judiciously and proportionately, and shall use the method of transfer described in Article 557.

## **Article 559. Cooperation**

The United Kingdom competent authority and the PIUs of the Member States shall cooperate to pursue the coherence of their PNR data processing regimes in a manner that further enhances the security of individuals in the United Kingdom, the Union and elsewhere.

## **Article 560. Non-derogation.**

This Title shall not be construed as derogating from any obligation between the United Kingdom and Member States or third countries to make or respond to a request under a mutual assistance instrument.

## **Article 561. Consultation and Review**

1. The Parties shall advise each other of any measure that is to be enacted that may affect this Title.
2. When carrying out joint reviews of this Title as referred to in Article 691(1), the Parties shall pay particular attention to the necessity and proportionality of processing and retaining PNR data for each of the purposes set out in Article 544. The joint reviews shall also include an examination of how the United Kingdom competent authority has ensured that the pre-established models, criteria and databases referred to in Article 551 are reliable, relevant and current, taking into account statistical data.

## **Article 562. Suspension of Cooperation Under this Title**

1. In the event that either Party considers that the continued operation of this Title is no longer appropriate, it may notify the other Party accordingly of its intention to suspend the application of this Title. Following such notification, the Parties shall engage in consultations.
2. Where within 6 months of that notification the Parties have not reached a resolution, either Party may decide to suspend the application of this Title for a period of up to 6 months. Before the end of that period, the Parties may agree an extension of the suspension for an additional period of up to 6 months. If by the end of the suspension period the Parties have not reached a resolution with respect to this Title, this Title shall cease to apply on the first day of the month following the expiry of the suspension period, unless the notifying Party informs the other Party that it wishes to withdraw the notification. In that case, the provisions of this Title shall be reinstated.
3. If this Title is suspended under this Article, the Specialised Committee on Law Enforcement and Judicial Cooperation shall meet to decide what steps are needed to ensure that any cooperation initiated under this Title that is affected by the suspension is concluded in an appropriate manner. In any event, with regard to all personal data obtained through cooperation under this Title before the provisions concerned by the suspension provisionally cease to apply, the Parties shall ensure that the level of protection under which the personal data were transferred is maintained after the suspension takes effect.

## **Title IV. COOPERATION ON OPERATIONAL INFORMATION**

### **Article 563. Cooperation on Operational Information**

1. The objective of this Title is for the Parties to ensure that the competent authorities of the United Kingdom and of the Member States are able to, subject to the conditions of their domestic law and within the scope of their powers, and to the extent that this is not provided for in other Titles of this Part, assist each other through the provision of relevant information for the purposes of:

- (a) the prevention, investigation, detection or prosecution of criminal offences;
- (b) the execution of criminal penalties;
- (c) safeguarding against, and the prevention of, threats to public safety; and
- (d) the prevention and combating of money laundering and the financing of terrorism.

2. For the purposes of this Title, a "competent authority" means a domestic police, customs or other authority that is competent under domestic law to undertake activities for the purposes set out in paragraph 1.

3. Information, including information on wanted and missing persons as well as objects, may be requested by a competent authority of the United Kingdom or of a Member State, or provided spontaneously to a competent authority of the United Kingdom or of a Member State. Information may be provided in response to a request or spontaneously, subject to the conditions of the domestic law which applies to the providing competent authority and within the scope of its powers.

4. Information may be requested and provided to the extent that the conditions of the domestic law which applies to the requesting or providing competent authority do not stipulate that the request or provision of information has to be made or channelled via judicial authorities.

5. In urgent cases, the providing competent authority shall respond to a request, or provide information spontaneously, as soon as possible.

6. A competent authority of the requesting State may, in accordance with relevant domestic law, at the time of making the request or at a later point in time, seek consent from the providing State for the information to be used for evidential purposes in proceedings before a judicial authority. The providing State may, subject to the conditions set out in Title VIII and the conditions of the domestic law which applies to it, consent to the information being used for evidential purposes before a judicial authority in the requesting State. Equally, where information is provided spontaneously, the providing State may consent to the information being used for evidential purposes in proceedings before a judicial authority in the receiving State. Where consent is not given under this paragraph, the information received shall not be used for evidential purposes in proceedings before a judicial authority.

7. The providing competent authority may, under relevant domestic law, impose conditions on the use of the information provided.

8. A competent authority may provide under this Title any type of information which it holds, subject to the conditions of the domestic law which applies to it and within the scope of its powers. This may include information from other sources, only if onward transfer of that information is permitted in the framework under which it was obtained by the providing competent authority,

9. Information may be provided under this Title via any appropriate communication channel, including the secure communication line for the purpose of provision of information through Europol,

10. This Article shall not affect the operation or conclusion of bilateral agreements between the United Kingdom and Member States, provided that the Member States act in compliance with Union law. It shall also not affect any other powers which are available to the competent authorities of the United Kingdom or of the Member States under applicable domestic or international law to provide assistance through the sharing of information for the purposes set out in paragraph 1.

## **Title V. COOPERATION WITH EUROPOL**

### **Article 564. Objective**

The objective of this Title is to establish cooperative relations between Europol and the competent authorities of the United Kingdom in order to support and strengthen the action by the Member States and the United Kingdom, as well as their mutual cooperation in preventing and combating serious crime, terrorism and forms of crime which affect a common interest covered by a Union policy, as referred to in Article 566.

### **Article 565. Definitions**

For the purposes of this Title, the following definitions apply:

(a) "Europol" means the European Union Agency for Law Enforcement Cooperation, set up under Regulation (EU) 2016/794 of the European Parliament and of the Council (1) (the "Europol Regulation");

(b) "competent authority" means, for the Union, Europol and, for the United Kingdom, a domestic law enforcement authority responsible under domestic law for preventing and combating criminal offences.

(1) Regulation (EU) 2016/794 of the European Parliament and of the Council of 11 May 2016 on the European Union Agency for Law Enforcement Cooperation (Europol) and replacing and repealing Council Decisions 2009/371/JHA, 2009/934/JHA, 2009/935/JHA, 2009/936/JHA and 2009/968/JHA (OJ EU L 135, 24.5.2016, p. 53).

### **Article 566. Forms of Crime**

1. The cooperation established under this Title relates to the forms of crime within Europol's competence, as listed in Annex 41, including related criminal offences.
2. Related criminal offences are criminal offences committed in order to procure the means of committing the forms of crime referred to in paragraph 1, criminal offences committed in order to facilitate or carry out such crimes, and criminal offences committed to ensure impunity for such crimes.
3. Where the list of forms of crime for which Europol is competent under Union law is changed, the Specialised Committee on Law Enforcement and Judicial Cooperation may, upon a proposal from the Union, amend Annex 41 accordingly from the date when the change to Europol's competence enters into effect.

## **Article 567. Scope of Cooperation**

The cooperation may, in addition to the exchange of personal data under the conditions laid down in this Title and in accordance with the tasks of Europol as outlined in the Europol Regulation, in particular include:

- (a) the exchange of information such as specialist knowledge;
- (b) general situation reports;
- (c) results of strategic analysis;
- (d) information on criminal investigation procedures;
- (e) information on crime prevention methods;
- (f) participation in training activities; and
- (g) the provision of advice and support in individual criminal investigations as well as operational cooperation.

## **Article 568. National Contact Point and Liaison Officers**

1. The United Kingdom shall designate a national contact point to act as the central point of contact between Europol and the competent authorities of the United Kingdom.
2. The exchange of information between Europol and the competent authorities of the United Kingdom shall take place between Europol and the national contact point referred to in paragraph 1. This does not preclude, however, direct exchanges of information between Europol and the competent authorities of the United Kingdom, if considered appropriate by both Europol and the relevant competent authorities.
3. The national contact point shall also be the central point of contact in respect of review, correction and deletion of personal data.
4. To facilitate the cooperation established under this Title, the United Kingdom shall second one or more liaison officers to Europol, Europol may second one or more liaison officers to the United Kingdom.
5. The United Kingdom shall ensure that its liaison officers have speedy and, where technically possible, direct access to the relevant domestic databases of the United Kingdom that are necessary for them to fulfil their tasks.
6. The number of liaison officers, the details of their tasks, their rights and obligations and the costs involved shall be governed by working arrangements concluded between Europol and the competent authorities of the United Kingdom as referred to in Article 577.
7. Liaison officers from the United Kingdom and representatives of the competent authorities of the United Kingdom may be invited to operational meetings. Member State liaison officers and third-country liaison officers, representatives of competent authorities from the Member States and third countries, Europol staff and other stakeholders may attend meetings organised by the liaison officers or the competent authorities of the United Kingdom.

## **Article 569. Exchanges of Information**

1. Exchanges of information between the competent authorities shall comply with the objective and provisions of this Title. Personal data shall be processed only for the specific purposes referred to in paragraph 2.



2. The competent authorities shall clearly indicate, at the latest at the moment of transferring personal data, the specific purpose or purposes for which the personal data are being transferred. For transfers to Europol, the purpose or purposes of such transfer shall be specified in line with the specific purposes of processing set out in the Europol Regulation. If the transferring competent authority has not done so, the receiving competent authority, in agreement with the transferring authority, shall process the personal data in order to determine their relevance as well as the purpose or purposes for which it is to be further processed. The competent authorities may process personal data for a purpose other than the purpose for which they have been provided only if authorised to do so by the transferring competent authority.

3. The competent authorities receiving the personal data shall give an undertaking stating that such data will be processed only for the purpose for which they were transferred. The personal data shall be deleted as soon as they are no longer necessary for the purpose for which they were transferred.

4. Europol and the competent authorities of the United Kingdom shall determine without undue delay, and in any event no later than six months after receipt of the personal data, if and to what extent those personal data are necessary for the purpose for which they were transferred and inform the transferring authority accordingly.

## **Article 570. Restrictions on Access to and Further Use of Transferred Personal Data**

1. The transferring competent authority may indicate, at the moment of transferring personal data, any restriction on access thereto or the use to be made thereof, in general or specific terms, including as regards its onward transfer, erasure or destruction after a certain period of time, or its further processing. Where the need for such restrictions becomes apparent after the personal data have been transferred, the transferring competent authority shall inform the receiving competent authority accordingly.

2. The receiving competent authority shall comply with any restriction on access or further use of the personal data indicated by the transferring competent authority as described in paragraph 1.

3. Each Party shall ensure that information transferred under this Title was collected, stored and transferred in accordance with its respective legal framework. Each Party shall ensure, as far as possible, that such information has not been obtained in violation of human rights. Nor shall such information be transferred if, to the extent reasonably foreseeable, it could be used to request, hand down or execute a death penalty or any form of cruel or inhuman treatment.

## **Article 571. Different Categories of Data Subjects**

1. The transfer of personal data in respect of victims of a criminal offence, witnesses or other persons who can provide information concerning criminal offences, or in respect of persons under the age of 18, shall be prohibited unless such transfer is strictly necessary and proportionate in individual cases for preventing or combating a criminal offence.

2. The United Kingdom and Europol shall each ensure that the processing of personal data under paragraph 1 is subject to additional safeguards, including restrictions on access, additional security measures and limitations on onward transfers.

## **Article 572. Facilitation of Flow of Personal Data between the United Kingdom and Europol**

In the interest of mutual operational benefits, the Parties shall endeavour to cooperate in the future with a view to ensuring that data exchanges between Europol and the competent authorities of the United Kingdom can take place as quickly as possible, and to consider the incorporation of any new processes and technical developments which might assist with that objective, while taking account of the fact that the United Kingdom is not a Member State.

## **Article 573. Assessment of Reliability of the Source and Accuracy of Information**

1. The competent authorities shall indicate as far as possible, at the latest at the moment of transferring the information, the reliability of the source of the information on the basis of the following criteria:

(a) where there is no doubt as to the authenticity, trustworthiness and competence of the source, or if the information is provided by a source which has proved to be reliable in all instances;

(b) where the information is provided by a source which has in most instances proved to be reliable;

(c) where the information is provided by a source which has in most instances proved to be unreliable;

(d) where the reliability of the source cannot be assessed.

2. The competent authorities shall indicate as far as possible, at the latest at the moment of transferring the information, the accuracy of the information on the basis of the following criteria:

(a) information the accuracy of which is not in doubt,

(b) information known personally to the source but not known personally to the official passing it on;

(c) information not known personally to the source but corroborated by other information already recorded;

(d) information not known personally to the source and which cannot be corroborated.

3. Where the receiving competent authority, on the basis of information already in its possession, comes to the conclusion that the assessment of information or of its source supplied by the transferring competent authority in accordance with paragraphs 1 and 2 needs correction, it shall inform that competent authority and shall attempt to agree on an amendment to the assessment. The receiving competent authority shall not change the assessment of information received or of its source without such agreement.

4. If a competent authority receives information without an assessment, it shall attempt as far as possible and where possible in agreement with the transferring competent authority to assess the reliability of the source or the accuracy of the information on the basis of information already in its possession.

5. If no reliable assessment can be made, the information shall be evaluated as provided for in point (d) of paragraph 1 and point (d) of paragraph 2.

## **Article 574. Security of the Information Exchange**

1. The technical and organisational measures put in place to ensure the security of the information exchange under this Title shall be laid down in administrative arrangements between Europol and the competent authorities of the United Kingdom as referred to in Article 577.

2. The Parties agree on the establishment, implementation and operation of a secure communication line for the purpose of the exchange of information between Europol and the competent authorities of the United Kingdom.

3. Administrative arrangements between Europol and the competent authorities of the United Kingdom as referred to in Article 576 shall regulate the secure communication line's terms and conditions of use.

## **Article 575. Liability for Unauthorised or Incorrect Personal Data Processing**

1. The competent authorities shall be liable, in accordance with their respective legal frameworks, for any damage caused to an individual as a result of legal or factual errors in information exchanged. In order to avoid liability under their respective legal frameworks vis-a-vis an injured party, neither Europol nor the competent authorities of the United Kingdom may plead that the other competent authority had transferred inaccurate information.

2. If damages are awarded either against Europol or against the competent authorities of the United Kingdom because of the use by either of them of information which was erroneously communicated by the other, or communicated as a result of a failure on the part of the other to comply with their obligations, the amount paid as compensation under paragraph 1 either by Europol or by the competent authorities of the United Kingdom shall be repaid by the other, unless the information was used in breach of this Title.

3. Europol and the competent authorities of the United Kingdom shall not require each other to pay for punitive or non-compensatory damages under paragraphs 1 and 2.

## **Article 576. Exchange of Classified and Sensitive Non-classified Information**

The exchange and protection of classified and sensitive non-classified information, if necessary under this Title, shall be regulated in working and administrative arrangements as referred to in Article 577 between Europol and the competent authorities of the United Kingdom.

## **Article 577. Working and Administrative Arrangements**

1. The details of cooperation between the United Kingdom and Europol, as appropriate to complement and implement the provisions of this Title, shall be the subject of working arrangements in accordance with Article 23(4) of the Europol Regulation and administrative arrangements in accordance with Article 25(1) of the Europol Regulation concluded between Europol and the competent authorities of the United Kingdom.

2. Without prejudice to any provision in this Title and while reflecting the status of the United Kingdom as not being a Member State, Europol and the competent authorities of the United Kingdom shall, subject to a decision by Europol's Management Board, include, in working arrangements or administrative arrangements, as the case may be, provisions complementing or implementing this Title, in particular allowing for:

(a) consultations between Europol and one or more representatives of the national contact point of the United Kingdom on policy issues and matters of common interest for the purpose of realising their objectives and coordinating their respective activities, and of furthering cooperation between Europol and the competent authorities of the United Kingdom;

(b) the participation of one or more representatives of the United Kingdom as observer or observers in specific meetings of the Heads of Europol National Units in line with the rules of proceedings of such meetings;

(c) the association of one or more representatives of the United Kingdom to operational analysis projects, in accordance with the rules set out by the appropriate Europol governance bodies;

(d) the specification of liaison officers' tasks, their rights and obligations and the costs involved; or

(e) cooperation between the competent authorities of the United Kingdom and Europol in the event of privacy or security breaches.

3. The substance of working and administrative arrangements may be set out together in one document.

## **Article 578. Notification of Implementation**

1. The United Kingdom and Europol shall each make publicly available a document setting out in an intelligible form the provisions regarding the processing of personal data transferred under this Title including the means available for the exercise of the rights of data subjects, and shall each ensure that a copy of that document be provided to the other.

2. Where not already in place, the United Kingdom and Europol shall adopt rules specifying how compliance with the provisions regarding the processing of personal data will be enforced in practice. The United Kingdom and Europol shall each send a copy of those rules to the other and to the respective supervisory authorities.

## **Article 579. Powers of Europol**

Nothing in this Title shall be construed as creating an obligation on Europol to cooperate with the competent authorities of the United Kingdom beyond Europol's competence as set out in the relevant Union law.

## **Title VI. COOPERATION WITH EUROJUST**

### **Article 580. Objective**

The objective of this Title is to establish cooperation between Eurojust and the competent authorities of the United Kingdom in combating serious crimes as referred to in Article 582.

### **Article 581. Definitions**

For the purposes of this Title, the following definitions apply:

(a) "Eurojust" means the European Union Agency for Criminal Justice Cooperation, set up under Regulation (EU) 2018/1727 of the European Parliament and of the Council (1) (the "Eurojust Regulation");

(1) Regulation (EU) 2018/1727 of the European Parliament and of the Council of 14 November 2018 on the European Union Agency for Criminal Justice Cooperation (Eurojust), and replacing and repealing Council Decision 2002/187/HA (OJ EU L 295, 21.11.2018, p. 138).

(b) "competent authority" means, for the Union, Eurojust, represented by the College or a National Member and, for the United Kingdom, a domestic authority with responsibilities under domestic law relating to the investigation and prosecution

of criminal offences;

(c) "College" means the College of Eurojust, as referred to in the Eurojust Regulation;

(d) "National Member" means the National Member seconded to Eurojust by each Member State, as referred to in the Eurojust Regulation;

(e) "Assistant" means a person who may assist a National Member and the National Member's Deputy, or the Liaison Prosecutor, as referred to in the Eurojust Regulation and in Article 585(3) respectively;

(f) "Liaison Prosecutor" means a public prosecutor seconded by the United Kingdom to Eurojust and subject to the domestic law of the United Kingdom as regards the public prosecutor's status;

(g) "Liaison Magistrate" means a magistrate posted by Eurojust to the United Kingdom in accordance with Article 586;

(h) "Domestic Correspondent for Terrorism Matters" means the contact point designated by the United Kingdom in accordance with Article 584, responsible for handling correspondence related to terrorism matters.

## **Article 582. Forms of Crime**

1. The cooperation established under this Title relates to the forms of serious crime within the competence of Eurojust, as listed in Annex 42, including related criminal offences.

2. Related criminal offences are the criminal offences committed in order to procure the means of committing forms of serious crime referred to in paragraph 1, criminal offences committed in order to facilitate or commit such serious crimes, and criminal offences committed to ensure impunity for such serious crimes.

3. Where the list of forms of serious crime for which Eurojust is competent under Union law is changed, the Specialised Committee on Law Enforcement and Judicial Cooperation may, upon a proposal from the Union, amend Annex 42 accordingly from the date when the change to Eurojust's competence enters into effect.

## **Article 583. Scope of Cooperation**

The Parties shall ensure that Eurojust and the competent authorities of the United Kingdom cooperate in the fields of activity set out in Articles 2 and 54 of the Eurojust Regulation and in this Title.

## **Article 584. Contact Points to Eurojust**

1. The United Kingdom shall put in place or appoint at least one contact point to Eurojust within the competent authorities of the United Kingdom.

2. The United Kingdom shall designate one of its contact points as the United Kingdom Domestic Correspondent for Terrorism Matters.

## **Article 585. Liaison Prosecutor**

1. To facilitate the cooperation established under this Title, the United Kingdom shall second a Liaison Prosecutor to Eurojust.

2. The mandate and the duration of the secondment shall be determined by the United Kingdom.

3. The Liaison Prosecutor may be assisted by up to five Assistants, reflecting the volume of cooperation. When necessary, Assistants may replace the Liaison Prosecutor or act on the Liaison Prosecutor's behalf.

4. The United Kingdom shall inform Eurojust of the nature and extent of the judicial powers of the Liaison Prosecutor and the Liaison Prosecutor's Assistants within the United Kingdom to accomplish their tasks in accordance with this Title. The United Kingdom shall establish the competence of its Liaison Prosecutor and the Liaison Prosecutor's Assistants to act in relation to foreign judicial authorities.

5. The Liaison Prosecutor and the Liaison Prosecutor's Assistants shall have access to the information contained in the domestic criminal record, or in any other register of the United Kingdom, in accordance with domestic law in the case of a prosecutor or person of equivalent competence.

6. The Liaison Prosecutor and the Liaison Prosecutor's Assistants shall have the power to contact the competent authorities of the United Kingdom directly.

7. The number of Assistants referred to in paragraph 3 of this Article, the details of the tasks of the Liaison Prosecutor and the Liaison Prosecutor's Assistants, their rights and obligations and the costs involved shall be governed by a working arrangement concluded between Eurojust and the competent authorities of the United Kingdom as referred to in Article 594.

8. The working documents of the Liaison Prosecutor and the Liaison Prosecutor's Assistants shall be held inviolable by Eurojust.

## **Article 586. Liaison Magistrate**

1. For the purpose of facilitating judicial cooperation with the United Kingdom in cases in which Eurojust provides assistance, Eurojust may post a Liaison Magistrate to the United Kingdom, in accordance with Article 53 of the Eurojust Regulation.

2. The details of the Liaison Magistrate's tasks referred to in paragraph 1 of this Article, the Liaison Magistrate's rights and obligations and the costs involved, shall be governed by a working arrangement concluded between Eurojust and the competent authorities of the United Kingdom as referred to in Article 594.

## **Article 587. Operational and Strategic Meetings**

1. The Liaison Prosecutor, the Liaison Prosecutor's Assistants, and representatives of other competent authorities of the United Kingdom, including the contact point to Eurojust, may participate in meetings with regard to strategic matters at the invitation of the President of Eurojust and in meetings with regard to operational matters with the approval of the National Members concerned.

2. National Members, their Deputies and Assistants, the Administrative Director of Eurojust and Eurojust staff may attend meetings organised by the Liaison Prosecutor, the Liaison Prosecutor's Assistants, or other competent authorities of the United Kingdom, including the contact point to Eurojust.

## **Article 588. Exchange of Non-personal Data**

Eurojust and the competent authorities of the United Kingdom may exchange any non-personal data in so far as those data are relevant for the cooperation under this Title, and subject to any restrictions pursuant to Article 593.

## **Article 589. Exchange of Personal Data**

1. Personal data requested and received by competent authorities under this Title shall be processed by them only for the objectives set out in Article 580, for the specific purposes referred to in paragraph 2 of this Article and subject to the restrictions on access or further use referred to in paragraph 3 of this Article.

2. The transferring competent authority shall clearly indicate, at the latest at the moment of transferring personal data, the specific purpose or purposes for which the data are being transferred.

3. The transferring competent authority may indicate, at the moment of transferring personal data, any restriction on access thereto or the use to be made thereof, in general or specific terms, including as regards its onward transfer, erasure or destruction after a certain period of time, or its further processing. Where the need for such restrictions becomes apparent after the personal data have been provided, the transferring authority shall inform the receiving authority accordingly.

4. The receiving competent authority shall comply with any restriction on access or further use of the personal data indicated by the transferring competent authority as provided for in paragraph 3.

## **Article 590. Channels of Transmission**

1. Information shall be exchanged:

(a) either between the Liaison Prosecutor or the Liaison Prosecutor's Assistants or, if none is appointed or otherwise available, the United Kingdom's contact point to Eurojust and the National Members concerned or the College;

(b) if Eurojust has posted a Liaison Magistrate to the United Kingdom, between the Liaison Magistrate and any competent authority of the United Kingdom; in that event, the Liaison Prosecutor shall be informed of any such information exchanges; or

(c) directly between a competent authority in the United Kingdom and the National Members concerned or the College; in that event, the Liaison Prosecutor and, if applicable, the Liaison Magistrate shall be informed of any such information exchanges.

2. Eurojust and the competent authorities of the United Kingdom may agree to use other channels for the exchange of information in particular cases.

3. Eurojust and the competent authorities of the United Kingdom shall each ensure that their respective representatives are authorised to exchange information at the appropriate level and in accordance with United Kingdom law and the Eurojust Regulation respectively, and are adequately screened.

### **Article 591. Onward Transfers**

The competent authorities of the United Kingdom and Eurojust shall not communicate any information provided by the other to any third country or international organisation without the consent of whichever of the competent authorities of the United Kingdom or Eurojust provided the information and without appropriate safeguards regarding the protection of personal data.

### **Article 592. Liability for Unauthorised or Incorrect Personal Data Processing**

1. The competent authorities shall be liable, in accordance with their respective legal frameworks, for any damage caused to an individual as a result of legal or factual errors in information exchanged. In order to avoid liability under their respective legal frameworks vis-a-vis an injured party, neither Eurojust nor the competent authorities of the United Kingdom may plead that the other competent authority had transferred inaccurate information.

2. If damages are awarded against any competent authority because of its use of information which was erroneously communicated by the other, or communicated as a result of a failure on the part of the other to comply with their obligations, the amount paid as compensation under paragraph 1 by the competent authority shall be repaid by the other, unless the information was used in breach of this Title.

3. Eurojust and the competent authorities of the United Kingdom shall not require each other to pay for punitive or non-compensatory damages under paragraphs 1 and 2.

### **Article 593. Exchange of Classified and Sensitive Non-classified Information**

The exchange and protection of classified and sensitive non-classified information, if necessary under this Title, shall be regulated by a working arrangement as referred to in Article 594 concluded between Eurojust and the competent authorities of the United Kingdom.

### **Article 594. Working Arrangement**

The modalities of cooperation between the Parties as appropriate to implement this Title shall be the subject of a working arrangement concluded between Eurojust and the competent authorities of the United Kingdom in accordance with Articles 47(3) and 56(3) of the Eurojust Regulation.

### **Article 595. Powers of Eurojust**

Nothing in this Title shall be construed as creating an obligation on Eurojust to cooperate with the competent authorities of the United Kingdom beyond Eurojust's competence as set out in the relevant Union law.

## **Title VII. SURRENDER**

### **Article 596. Objective**

The objective of this Title is to ensure that the extradition system between the Member States, on the one side, and the United Kingdom, on the other side, is based on a mechanism of surrender pursuant to an arrest warrant in accordance with

the terms of this Title.

## **Article 597. Principle of Proportionality**

Cooperation through the arrest warrant shall be necessary and proportionate, taking into account the rights of the requested person and the interests of the victims, and having regard to the seriousness of the act, the likely penalty that would be imposed and the possibility of a State taking measures less coercive than the surrender of the requested person particularly with a view to avoiding unnecessarily long periods of pre-trial detention.

## **Article 598. Definitions**

For the purposes of this Title, the following definitions apply:

- (a) "arrest warrant" means a judicial decision issued by a State with a view to the arrest and surrender by another State of a requested person, for the purposes of conducting a criminal prosecution or executing a custodial sentence or detention order;
- (b) "judicial authority" means an authority that is, under domestic law, a judge, a court or a public prosecutor. A public prosecutor is considered a judicial authority only to the extent that domestic law so provides;
- (c) "executing judicial authority" means the judicial authority of the executing State which is competent to execute the arrest warrant by virtue of the domestic law of that State;
- (d) "issuing judicial authority" means the judicial authority of the issuing State which is competent to issue an arrest warrant by virtue of the domestic law of that State.

## **Article 599. Scope**

1. An arrest warrant may be issued for acts punishable by the law of the issuing State by a custodial sentence or a detention order for a maximum period of at least 12 months or, where a sentence has been passed or a detention order has been made, for sentences or detention orders of at least four months.
2. Without prejudice to paragraphs 3 and 4, surrender is subject to the condition that the acts for which the arrest warrant has been issued constitute an offence under the law of the executing State, whatever the constituent elements or however it is described.
3. Subject to Article 600, points (b) to (h) of Article 601(1), and Articles 602, 603 and 604, a State shall not refuse to execute an arrest warrant issued in relation to the following behaviour where such behaviour is punishable by deprivation of liberty or a detention order of a maximum period of at least 12 months:
  - (a) the behaviour of any person who contributes to the commission by a group of persons acting with a common purpose of one or more offences in the field of terrorism referred to in Articles 1 and 2 of the European Convention on the Suppression of Terrorism, done at Strasbourg on 27 January 1977, or in relation to illicit trafficking in narcotic drugs and psychotropic substances, or murder, grievous bodily injury, kidnapping, illegal restraint, hostage-taking or rape, even where that person does not take part in the actual execution of the offence or offences concerned; such contribution must be intentional and made with the knowledge that the participation will contribute to the achievement of the group's criminal activities; or
  - (b) terrorism as defined in Annex 45.
4. The United Kingdom and the Union, acting on behalf of any of its Member States, may each notify the Specialised Committee on Law Enforcement and Judicial Cooperation that, on the basis of reciprocity, the condition of double criminality referred to in paragraph 2 will not be applied, provided that the offence on which the warrant is based is:
  - (a) one of the offences listed in paragraph 5, as defined by the law of the issuing State; and
  - (b) punishable in the issuing State by a custodial sentence or a detention order for a maximum period of at least three years.
5. The offences referred to in paragraph 4 are:
  - participation in a criminal organisation;
  - terrorism as defined in Annex 45;
  - trafficking in human beings;

- sexual exploitation of children and child pornography;
- illicit trafficking in narcotic drugs and psychotropic substances;
- illicit trafficking in weapons, munitions and explosives;
- corruption, including bribery,
- fraud, including that affecting the financial interests of the United Kingdom, a Member State or the Union;
- laundering of the proceeds of crime;
- counterfeiting currency;
- computer-related crime;
- environmental crime, including illicit trafficking in endangered animal species and endangered plant species and varieties;
- facilitation of unauthorised entry and residence;
- murder;
- grievous bodily injury;
- illicit trade in human organs and tissue;
- kidnapping, illegal restraint and hostage-taking;
- racism and xenophobia;
- organised or armed robbery,
- illicit trafficking in cultural goods, including antiques and works of art;
- swindling;
- racketeering and extortion;
- counterfeiting and piracy of products;
- forgery of administrative documents and trafficking therein;
- forgery of means of payment;
- illicit trafficking in hormonal substances and other growth promoters;
- illicit trafficking in nuclear or radioactive materials;
- trafficking in stolen vehicles;
- rape;
- arson;
- crimes within the jurisdiction of the International Criminal Court;
- unlawful seizure of aircraft, ships or spacecraft; and
- sabotage.

## **Article 600. Grounds for Mandatory Non-execution of the Arrest Warrant**

The execution of the arrest warrant shall be refused:

- (a) if the offence on which the arrest warrant is based is covered by an amnesty in the executing State, where that State had jurisdiction to prosecute the offence under its own criminal law;
- (b) if the executing judicial authority is informed that the requested person has been finally judged by a State in respect of



the same acts, provided that, if a penalty has been imposed, it has been enforced, is in the process of being enforced or can no longer be enforced under the law of the sentencing State; or

(c) if the person who is the subject of the arrest warrant may not, owing to the person's age, be held criminally responsible for the acts on which the arrest warrant is based under the law of the executing State.

## **Article 601. Other Grounds for Non-execution of the Arrest Warrant**

1. The execution of the arrest warrant may be refused:

(a) if, in one of the cases referred to in Article 599(2), the act on which the arrest warrant is based does not constitute an offence under the law of the executing State; however, in relation to taxes or duties, customs and exchange, the execution of the arrest warrant shall not be refused on the grounds that the law of the executing State does not impose the same kind of tax or duty or does not contain the same type of rules as regards taxes or duties, customs and exchange regulations as the law of the issuing State;

(b) if the person who is the subject of the arrest warrant is being prosecuted in the executing State for the same act as that on which the arrest warrant is based;

(c) if the judicial authorities of the executing State have decided either not to prosecute for the offence on which the arrest warrant is based or to halt proceedings, or if a final judgment which prevents further proceedings has been passed upon the requested person in a State in respect of the same acts;

(d) if the criminal prosecution or punishment of the requested person is statute-barred under the law of the executing State and the acts fall within the jurisdiction of that State under its own criminal law;

(e) if the executing judicial authority is informed that the requested person has been finally judged by a third country in respect of the same acts provided that, if a penalty has been imposed, it has been enforced, is in the process of being enforced or can no longer be enforced under the law of the sentencing country;

(f) if the arrest warrant has been issued for the purposes of execution of a custodial sentence or detention order and the requested person is staying in, or is a national or a resident of the executing State and that State undertakes to execute the sentence or detention order in accordance with its domestic law; if consent of the requested person to the transfer of the sentence or detention order to the executing State is required, the executing State may refuse to execute the arrest warrant only after the requested person consents to the transfer of the sentence or detention order;

(g) if the arrest warrant relates to offences which:

(i) are regarded by the law of the executing State as having been committed in whole or in part in the territory of the executing State or in a place treated as such; or

(ii) have been committed outside the territory of the issuing State, and the law of the executing State does not allow prosecution for the same offences if committed outside its territory,

(h) if there are reasons to believe on the basis of objective elements that the arrest warrant has been issued for the purpose of prosecuting or punishing a person on the grounds of the person's sex, race, religion, ethnic origin, nationality, language, political opinions or sexual orientation, or that that person's position may be prejudiced for any of those reasons:

(i) if the arrest warrant has been issued for the purpose of executing a custodial sentence or a detention order and the requested person did not appear in person at the trial resulting in the decision, unless the arrest warrant states that the person, in accordance with further procedural requirements defined in the domestic law of the issuing State:

(i) in due time:

(A) either was summoned in person and thereby informed of the scheduled date and place of the trial which resulted in the decision, or by other means actually received official information of the scheduled date and place of that trial in such a manner that it was unequivocally established that the person was aware of the date and place of the scheduled trial ; and

(B) was informed that a decision may be handed down if that person did not appear for the trial; or

(ii) being aware of the date and place of the scheduled trial, had given a mandate to a lawyer, who was either appointed by the person concerned or by the State, to defend him or her at the trial, and was indeed defended by that lawyer at the trial; or

(iii) after being served with the decision and being expressly informed about the right to a retrial or appeal in which the person has the right to participate and which allows the merits of the case, including fresh evidence, to be re-examined, and which may lead to the original decision being reversed:

(A) expressly stated that the person did not contest the decision; or

(B) did not request a retrial or appeal within the applicable time frame; or

(iv) was not personally served with the decision but:

(A) will be personally served with it without delay after the surrender and will be expressly informed of the right to a retrial or appeal in which the person has the right to participate and which allows the merits of the case, including fresh evidence, to be re-examined, and which may lead to the original decision being reversed; and

(B) will be informed of the time frame within which the person has to request such a retrial or appeal, as mentioned in the relevant arrest warrant.

2. Where the arrest warrant is issued for the purpose of executing a custodial sentence or detention order under the conditions in point (i) (iv) of paragraph 1 and the person concerned has not previously received any official information about the existence of the criminal proceedings against him or her, that person may, when being informed about the content of the arrest warrant, request to receive a copy of the judgment before being surrendered. Immediately after having been informed about the request, the issuing authority shall provide the copy of the judgment via the executing authority to the person concerned. The request of the person concerned shall neither delay the surrender procedure nor delay the decision to execute the arrest warrant. The provision of the judgment to the person concerned shall be for information purposes only, it shall not be regarded as a formal service of the judgment nor actuate any time limits applicable for requesting a retrial or appeal,

3. Where a person is surrendered under the conditions in point (i) (iv) of paragraph 1 and that person has requested a retrial or appeal, until those proceedings are finalised the detention of that person awaiting such retrial or appeal shall be reviewed in accordance with the domestic law of the issuing State, either on a regular basis or upon request of the person concerned. Such a review shall in particular include the possibility of suspension or interruption of the detention. The retrial or appeal shall begin within due time after the surrender.

## **Article 602. Political Offence Exception**

1. The execution of an arrest warrant may not be refused on the grounds that the offence may be regarded by the executing State as a political offence, as an offence connected with a political offence or as an offence inspired by political motives.

2. However, the United Kingdom and the Union, acting on behalf of any of its Member States, may each notify the Specialised Committee on Law Enforcement and Judicial Cooperation that paragraph 1 will be applied only in relation to:

(a) the offences referred to in Articles 1 and 2 of the European Convention on the Suppression of Terrorism;

(b) offences of conspiracy or association to commit one or more of the offences referred to in Articles 1 and 2 of the European Convention on the Suppression of Terrorism, if those offences of conspiracy or association correspond to the description of behaviour referred to in Article 599(3) of this Agreement; and

(c) terrorism as defined in Annex 45 to this Agreement.

3. Where an arrest warrant has been issued by a State having made a notification as referred to in paragraph 2 or by a State on behalf of which such a notification has been made, the State executing the arrest warrant may apply reciprocity.

## **Article 603. Nationality Exception**

1. The execution of an arrest warrant may not be refused on the grounds that the requested person is a national of the executing State.

2. The United Kingdom, and the Union, acting on behalf of any of its Member States, may each notify the Specialised Committee on Law Enforcement and Judicial Cooperation that that State's own nationals will not be surrendered or that the surrender of their own national will be authorised only under certain specified conditions. The notification shall be based on reasons related to the fundamental principles or practice of the domestic legal order of the United Kingdom or the State on behalf of which a notification was made. In such a case, the Union, on behalf of any of its Member States or the United Kingdom, as the case may be, may notify the Specialised Committee on Law Enforcement and Judicial Cooperation within a

reasonable time after the receipt of the other Party's notification that the executing judicial authorities of the Member State or the United Kingdom, as the case may be, may refuse to surrender its nationals to that State or that surrender shall be authorised only under certain specified conditions.

3. In circumstances where a State has refused to execute an arrest warrant on the basis that, in the case of the United Kingdom, it has made a notification or, in the case of a Member State, the Union has made a notification on its behalf as referred to in paragraph 2, that State shall consider instituting proceedings against its own national which are commensurate with the subject matter of the arrest warrant, having taken into account the views of the issuing State. In circumstances where a judicial authority decides not to institute such proceedings, the victim of the offence on which the arrest warrant is based shall be able to receive information on the decision in accordance with the applicable domestic law.

4. Where a State's competent authorities institute proceedings against its own national in accordance with paragraph 3, that State shall ensure that its competent authorities are able to take appropriate measures to assist the victims and witnesses in circumstances where they are residents of another State, particularly with regard to the way in which the proceedings are conducted.

## **Article 604. Guarantees to Be Given by the Issuing State In Particular Cases**

The execution of the arrest warrant by the executing judicial authority may be subject to the following guarantees:

(a) if the offence on which the arrest warrant is based is punishable by a custodial life sentence or a lifetime detention order in the issuing State, the executing State may make the execution of the arrest warrant subject to the condition that the issuing State gives a guarantee deemed sufficient by the executing State that the issuing State will review the penalty or measure imposed, on request or at the latest after 20 years, or will encourage the application of measures of clemency for which the person is entitled to apply under the law or practice of the issuing State, aiming at the non-execution of such penalty or measure;

(b) if a person who is the subject of an arrest warrant for the purposes of prosecution is a national or resident of the executing State, the surrender of that person may be subject to the condition that the person, after being heard, is returned to the executing State in order to serve there the custodial sentence or detention order passed against him or her in the issuing State; if the consent of the requested person to the transfer of the sentence or detention order to the executing State is required, the guarantee that the person be returned to the executing State to serve the person's sentence is subject to the condition that the requested person, after being heard, consents to be returned to the executing State;

(c) if there are substantial grounds for believing that there is a real risk to the protection of the fundamental rights of the requested person, the executing judicial authority may require, as appropriate, additional guarantees as to the treatment of the requested person after the person's surrender before it decides whether to execute the arrest warrant.

## **Article 605. Recourse to the Central Authority**

1. The United Kingdom and the Union, acting on behalf of any of its Member States, may each notify the Specialised Committee on Law Enforcement and Judicial Cooperation of, in the case of the United Kingdom, its central authority and, in the case of the Union, the central authority for each State, having designated such an authority, or, if the legal system of the relevant State so provides, of more than one central authority to assist the competent judicial authorities.

2. When notifying the Specialised Committee on Law Enforcement and Judicial Cooperation under paragraph 1, the United Kingdom and the Union, acting on behalf of any of its Member States, may each indicate that, as a result of the organisation of the internal judicial system of the relevant States, the central authority or central authorities are responsible for the administrative transmission and receipt of arrest warrants as well as for all other official correspondence relating to the administrative transmission and receipt of arrest warrants. Such indication shall be binding upon all the authorities of the issuing State.

## **Article 606. Content and Form of the Arrest Warrant**

1. The arrest warrant shall contain the following information set out in accordance with the form contained in Annex 43:

(a) the identity and nationality of the requested person;

(b) the name, address, telephone and fax numbers and e-mail address of the issuing judicial authority,

(c) evidence of an enforceable judgment, an arrest warrant or any other enforceable judicial decision having the same effect that fall within the scope of Article 599;

(d) the nature and legal classification of the offence, particularly in respect of Article 599;

(e) a description of the circumstances in which the offence was committed, including the time, place and degree of participation in the offence by the requested person;

(f) the penalty imposed, if there is a final judgment, or the prescribed scale of penalties for the offence under the law of the issuing State; and

(g) if possible, other consequences of the offence.

2. The arrest warrant shall be translated into the official language or one of the official languages of the executing State. The United Kingdom and the Union, acting on behalf of any of its Member States, may each notify the Specialised Committee on Law Enforcement and Judicial Cooperation that a translation in one or more other official languages of a State will be accepted.

## **Article 607. Transmission of an Arrest Warrant**

If the location of the requested person is known, the issuing judicial authority may transmit the arrest warrant directly to the executing judicial authority.

## **Article 608. Detailed Procedures for Transmitting an Arrest Warrant**

1. If the issuing judicial authority does not know which authority is the competent executing judicial authority, it shall make the requisite enquiries, in order to obtain that information from the executing State.

2. The issuing judicial authority may request the International Criminal Police Organisation ("Interpol") to transmit an arrest warrant.

3. The issuing judicial authority may transmit the arrest warrant by any secure means capable of producing written records under conditions allowing the executing State to establish the authenticity of the arrest warrant.

4. All difficulties concerning the transmission or the authenticity of any document needed for the execution of the arrest warrant shall be dealt with by direct contacts between the judicial authorities involved, or, where appropriate, with the involvement of the central authorities of the States.

5. If the authority which receives an arrest warrant is not competent to act upon it, it shall automatically forward the arrest warrant to the competent authority in its State and shall inform the issuing judicial authority accordingly.

## **Article 609. Rights of a Requested Person**

1. If a requested person is arrested for the purpose of the execution of an arrest warrant, the executing judicial authority, in accordance with its domestic law, shall inform that person of the arrest warrant and of its contents, and also of the possibility of consenting to surrender to the issuing State.

2. A requested person who is arrested for the purpose of the execution of an arrest warrant and who does not speak or understand the language of the arrest warrant proceedings shall have the right to be assisted by an interpreter and to be provided with a written translation in the native language of the requested person or in any other language which that person speaks or understands, in accordance with the domestic law of the executing State.

3. A requested person shall have the right to be assisted by a lawyer in accordance with the domestic law of the executing State upon arrest.

4. The requested person shall be informed of the person's right to appoint a lawyer in the issuing State for the purpose of assisting the lawyer in the executing State in the arrest warrant proceedings. This paragraph is without prejudice to the time limits set out in Article 621.

5. A requested person who is arrested shall have the right to have the consular authorities of that person's State of nationality, or if that person is stateless, the consular authorities of the State where that person usually resides, informed of the arrest without undue delay and to communicate with those authorities, if that person so wishes.

## **Article 610. Keeping the Person In Detention**

When a person is arrested on the basis of an arrest warrant, the executing judicial authority shall take a decision on whether the requested person should remain in detention, in accordance with the law of the executing State. The person may be released provisionally at any time in accordance with the domestic law of the executing State, provided that the competent authority of that State takes all the measures it deems necessary to prevent the person from absconding,

### **Article 611. Consent to Surrender**

1. If the arrested person indicates that he or she consents to surrender, that consent and, if appropriate, the express renunciation of entitlement to the speciality rule referred to in Article 625(2) must be given before the executing judicial authority, in accordance with the domestic law of the executing State.
2. Each State shall adopt the measures necessary to ensure that the consent and, where appropriate, the renunciation referred to in paragraph 1 are established in such a way as to show that the person concerned has expressed them voluntarily and in full awareness of the consequences. To that end, the requested person shall have the right to a lawyer.
3. The consent and, where appropriate, the renunciation referred to in paragraph 1 shall be formally recorded in accordance with the procedure laid down by the domestic law of the executing State.
4. In principle, consent may not be revoked. Each State may provide that the consent and, if appropriate, the renunciation referred to in paragraph 1 of this Article may be revoked in accordance with the rules applicable under its domestic law. In such a case, the period between the date of the consent and that of its revocation shall not be taken into consideration in establishing the time limits laid down in Article 621. The United Kingdom and the Union, acting on behalf of any of its Member States, may each notify the Specialised Committee on Law Enforcement and Judicial Cooperation that it wishes to have recourse to this possibility, specifying the procedures whereby revocation of the consent is possible and any amendments to those procedures.

### **Article 612. Hearing of the Requested Person**

Where the arrested person does not consent to surrender as referred to in Article 611, that person shall be entitled to be heard by the executing judicial authority, in accordance with the law of the executing State.

### **Article 613. Surrender Decision**

1. The executing judicial authority shall decide whether the person is to be surrendered within the time limits and in accordance with the conditions defined in this Title, in particular the principle of proportionality as set out in Article 597.
2. If the executing judicial authority finds the information communicated by the issuing State to be insufficient to allow it to decide on surrender, it shall request that the necessary supplementary information, in particular with respect to Article 597, Articles 600 to 602, Article 604 and Article 606, be furnished as a matter of urgency and may fix a time limit for the receipt thereof, taking into account the need to observe the time limits provided for in Article 615.
3. The issuing judicial authority may forward any additional useful information to the executing judicial authority at any time.

### **Article 614. Decision In the Event of Multiple Requests**

1. If two or more States have issued a European arrest warrant or an arrest warrant for the same person, the decision as to which of those arrest warrants is to be executed shall be taken by the executing judicial authority, with due consideration of all the circumstances, especially the relative seriousness of the offences and place of the offences, the respective dates of the arrest warrants or European arrest warrants and whether they have been issued for the purposes of prosecution or for the execution of a custodial sentence or detention order, and of legal obligations of Member States deriving from Union law regarding, in particular, the principles of freedom of movement and non-discrimination on grounds of nationality.
2. The executing judicial authority of a Member State may seek the advice of Eurojust when making the choice referred to in paragraph 1.
3. In the event of a conflict between an arrest warrant and a request for extradition presented by a third country, the decision as to whether the arrest warrant or the extradition request takes precedence shall be taken by the competent authority of the executing State with due consideration of all the circumstances, in particular those referred to in paragraph 1 and those mentioned in the applicable convention.

4. This Article is without prejudice to the States' obligations under the Statute of the International Criminal Court.

## **Article 615. Time Limits and Procedures for the Decision to Execute the Arrest Warrant**

1. An arrest warrant shall be dealt with and executed as a matter of urgency.
2. In cases where the requested person consents to surrender, the final decision on the execution of the arrest warrant shall be taken within ten days after the consent was given.
3. In other cases, the final decision on the execution of the arrest warrant shall be taken within 60 days after the arrest of the requested person.
4. Where in specific cases the arrest warrant cannot be executed within the time limits laid down in paragraph 2 or 3, the executing judicial authority shall immediately inform the issuing judicial authority of that fact, giving the reasons for the delay. In such cases, the time limits may be extended by a further 30 days.
5. As long as the executing judicial authority has not taken a final decision on the arrest warrant, it shall ensure that the material conditions necessary for the effective surrender of the person remain fulfilled.
6. Reasons must be given for any refusal to execute an arrest warrant.

## **Article 616. Situation Pending the Decision**

1. Where the arrest warrant has been issued for the purpose of conducting a criminal prosecution, the executing judicial authority shall either:
  - (a) agree that the requested person should be heard according to Article 617; or
  - (b) agree to the temporary transfer of the requested person.
2. The conditions and the duration of the temporary transfer shall be determined by mutual agreement between the issuing and executing judicial authorities.
3. In the case of temporary transfer, the person must be able to return to the executing State to attend hearings which concern that person as part of the surrender procedure.

## **Article 617. Hearing the Person Pending the Decision**

1. The requested person shall be heard by a judicial authority. To that end, the requested person shall be assisted by a lawyer designated in accordance with the law of the issuing State.
2. The requested person shall be heard in accordance with the law of the executing State and with the conditions determined by mutual agreement between the issuing and executing judicial authorities,
3. The competent executing judicial authority may assign another judicial authority of its State to take part in the hearing of the requested person in order to ensure the proper application of this Article.

## **Article 618. Privileges and Immunities**

1. Where the requested person enjoys a privilege or immunity regarding jurisdiction or execution in the executing State, the time limits referred to in Article 615 only start running when, or if, the executing judicial authority is informed of the fact that the privilege or immunity has been waived.
2. The executing State shall ensure that the material conditions necessary for effective surrender are fulfilled when the person no longer enjoys such privilege or immunity.
3. Where power to waive the privilege or immunity lies with an authority of the executing State, the executing judicial authority shall request that authority to exercise that power without delay. Where power to waive the privilege or immunity lies with an authority of another State, third country or international organisation, the issuing judicial authority shall request that authority to exercise that power.

## **Article 619. Competing International Obligations**

1. This Agreement does not prejudice the obligations of the executing State where the requested person has been extradited to that State from a third country and where that person is protected by provisions of the arrangement under which that person was extradited concerning the speciality rule. The executing State shall take all necessary measures for requesting without delay the consent of the third country from which the requested person was extradited so that the requested person can be surrendered to the State which issued the arrest warrant. The time limits referred to in Article 615 do not start running until the day on which the speciality rule ceases to apply.

2. Pending the decision of the third country from which the requested person was extradited, the executing State shall ensure that the material conditions necessary for effective surrender remain fulfilled.

## **Article 620. Notification of the Decision**

The executing judicial authority shall notify the issuing judicial authority immediately of the decision on the action to be taken on the arrest warrant.

## **Article 621. Time Limits for Surrender of the Person**

1. The requested person shall be surrendered as soon as possible on a date agreed between the authorities concerned.

2. The requested person shall be surrendered no later than ten days after the final decision on the execution of the arrest warrant.

3. If the surrender of the requested person within the time limit in paragraph 2 is prevented by circumstances beyond the control of any of the States, the executing and issuing judicial authorities shall immediately contact each other and agree on a new surrender date. In that event, the surrender shall take place within ten days of the new date thus agreed.

4. The surrender may exceptionally be temporarily postponed for serious humanitarian reasons, for example if there are substantial grounds for believing that the surrender would manifestly endanger the requested person's life or health. The execution of the arrest warrant shall take place as soon as those grounds have ceased to exist. The executing judicial authority shall immediately inform the issuing judicial authority and agree on a new surrender date. In that event, the surrender shall take place within ten days of the new date agreed.

5. Upon the expiry of the time limits referred to in paragraphs 2 to 4, if the requested person is still being held in custody, that person shall be released. The executing and issuing judicial authorities shall contact each other as soon as it appears that a person is to be released under this paragraph and agree the arrangements for the surrender of that person.

## **Article 622. Postponed or Conditional Surrender**

1. After deciding to execute the arrest warrant, the executing judicial authority may postpone the surrender of the requested person so that the requested person may be prosecuted in the executing State or, if the requested person has already been sentenced, so that the requested person may serve a sentence passed for an act other than that referred to in the arrest warrant in the territory of the executing State.

2. Instead of postponing the surrender, the executing judicial authority may temporarily surrender the requested person to the issuing State under conditions to be determined by mutual agreement between the executing and the issuing judicial authorities. The agreement shall be made in writing and the conditions shall be binding on all the authorities in the issuing State.

## **Article 623. Transit**

1. Each State shall permit the transit through its territory of a requested person who is being surrendered provided that it has been given information on:

(a) the identity and nationality of the person subject to the arrest warrant,

(b) the existence of an arrest warrant;

(c) the nature and legal classification of the offence; and

(d) the description of the circumstances of the offence, including the date and place.

2. The State, on behalf of which a notification has been made in accordance with Article 603(2) to the effect that its own

nationals will not be surrendered or that surrender will be authorised only under certain specified conditions, may, refuse the transit of its own nationals through its territory under the same terms or submit it to the same conditions.

3. The States shall designate an authority responsible for receiving transit requests and the necessary documents, as well as any other official correspondence relating to transit requests.

4. The transit request and the information referred to in paragraph 1 may be addressed to the authority designated pursuant to paragraph 3 by any means capable of producing a written record. The State of transit shall notify its decision by the same procedure.

5. This Article does not apply in the case of transport by air without a scheduled stopover. However, if an unscheduled landing occurs, the issuing State shall provide the authority designated pursuant to paragraph 3 with the information referred to in paragraph 1.

6. Where a transit concerns a person who is to be extradited from a third country to a State, this Article applies *mutatis mutandis*. In particular, references to an "arrest warrant" shall be treated as references to an "extradition request".

## **Article 624. Deduction of the Period of Detention Served In the Executing State**

1. The issuing State shall deduct all periods of detention arising from the execution of an arrest warrant from the total period of detention to be served in the issuing State as a result of a custodial sentence or detention order being passed.

2. All information concerning the duration of the detention of the requested person on the basis of the arrest warrant shall be transmitted by the executing judicial authority or the central authority designated under Article 605 to the issuing judicial authority at the time of the surrender.

## **Article 625. Possible Prosecution for other Offences**

1. The United Kingdom and the Union, acting on behalf of any of its Member States, may each notify the Specialised Committee on Law Enforcement and Judicial Cooperation that, in relations with other States to which the same notification applies, consent is presumed to have been given for the prosecution, sentencing or detention of a person with a view to the carrying out of a custodial sentence or detention order for an offence committed prior to the person's surrender, other than that for which that person was surrendered, unless in a particular case the executing judicial authority states otherwise in its decision on surrender.

2. Except in the cases referred to in paragraphs 1 and 3, a person surrendered may not be prosecuted, sentenced or otherwise deprived of liberty for an offence committed prior to that person's surrender other than that for which the person was surrendered.

3. Paragraph 2 of this Article does not apply in the following cases:

(a) the person, having had an opportunity to leave the territory of the State to which that person has been surrendered, has not done so within 45 days of that person's final discharge or has returned to that territory after leaving it,

(b) the offence is not punishable by a custodial sentence or detention order,

(c) the criminal proceedings do not give rise to the application of a measure restricting personal liberty,

(d) the person could be liable to a penalty or a measure not involving the deprivation of liberty, in particular a financial penalty or a measure in lieu of a financial penalty, even if the penalty or measure may give rise to a restriction of the person's personal liberty,

(e) the person consented to be surrendered, where appropriate at the same time as the person renounced the speciality rule, in accordance with Article 611;

(f) the person, after the person's surrender, has expressly renounced entitlement to the speciality rule with regard to specific offences preceding the person's surrender; renunciation must be given before the competent judicial authority of the issuing State and be recorded in accordance with that State's domestic law; the renunciation must be drawn up in such a way as to make clear that the person concerned has given it voluntarily and in full awareness of the consequences; to that end, the person shall have the right to a lawyer, and

(g) the executing judicial authority which surrendered the person gives its consent in accordance with paragraph 4 of this Article.



4. A request for consent shall be submitted to the executing judicial authority, accompanied by the information referred to in Article 606(1) and a translation as referred to in Article 606(2). Consent shall be given where the offence for which it is requested is itself subject to surrender in accordance with the provisions of this Title. Consent shall be refused on the grounds referred to in Article 600 and otherwise may be refused only on the grounds referred to in Article 601, or Article 602(2) and Article 603(2). The decision shall be taken no later than 30 days after receipt of the request. For the situations laid down in Article 604 the issuing State must give the guarantees provided for therein.

## **Article 626. Surrender or Subsequent Extradition**

1. The United Kingdom and the Union, acting on behalf of any of its Member States, may each notify the Specialised Committee on Law Enforcement and Judicial Cooperation that, in relations with other States to which the same notification applies, the consent for the surrender of a person to a State other than the executing State pursuant to an arrest warrant or European arrest warrant issued for an offence committed prior to that person's surrender is presumed to have been given, unless in a particular case the executing judicial authority states otherwise in its decision on surrender.

2. In any case, a person who has been surrendered to the issuing State pursuant to an arrest warrant or European arrest warrant may be surrendered to a State other than the executing State pursuant to an arrest warrant or European arrest warrant sued for any offence committed prior to the person's surrender without the consent of the executing State in the following cases:

(a) the requested person, having had an opportunity to leave the territory of the State to which that person has been surrendered, has not done so within 45 days of that person's final discharge, or has returned to that territory after leaving it;

(b) the requested person consents to be surrendered to a State other than the executing State pursuant to an arrest warrant or European arrest warrant, consent must be given before the competent judicial authorities of the issuing State and be recorded in accordance with that State's domestic law; it must be drawn up in such a way as to make clear that the person concerned has given it voluntarily and in full awareness of the consequences; to that end, the requested person shall have the right to a lawyer, and

(c) the requested person is not subject to the speciality rule, in accordance with point (a), (e), (f) or (g) of Article 625(3).

3. The executing judicial authority shall consent to the surrender to another State in accordance with the following rules:

(a) the request for consent shall be submitted in accordance with Article 607, accompanied by the information set out in Article 606(1) and a translation as referred to in Article 606(2);

(b) consent shall be given where the offence for which it is requested is itself subject to surrender in accordance with the provisions of this Agreement;

(c) the decision shall be taken no later than 30 days after receipt of the request, and

(d) consent shall be refused on the grounds referred to in Article 600 and otherwise may be refused only on the grounds referred to in Article 601, Article 602(2) and Article 603(2).

4. For the situations referred to in Article 604, the issuing State shall give the guarantees provided for therein.

5. Notwithstanding paragraph 1, a person who has been surrendered pursuant to an arrest warrant shall not be extradited to a third country without the consent of the competent authority of the State which surrendered the person. Such consent shall be given in accordance with the Conventions by which that State is bound, as well as with its domestic law.

## **Article 627. Handing Over of Property**

1. At the request of the issuing judicial authority or on its own initiative, the executing judicial authority shall, in accordance with its domestic law, seize and hand over property which:

(a) may be required as evidence; or

(b) has been acquired by the requested person as a result of the offence.

2. The property referred to in paragraph 1 shall be handed over even if the arrest warrant cannot be carried out owing to the death or escape of the requested person.

3. If the property referred to in paragraph 1 is liable to seizure or confiscation in the territory of the executing State, that State may, if the property is needed in connection with pending criminal proceedings, temporarily retain it or hand it over to

the issuing State on condition that it is returned.

4. Any rights which the executing State or third parties may have acquired in the property referred to in paragraph 1 shall be preserved. Where such rights exist, the issuing State shall return the property without charge to the executing State as soon as the criminal proceedings have been terminated.

## **Article 628. Expenses**

1. Expenses incurred in the territory of the executing State for the execution of an arrest warrant shall be borne by that State.

2. All other expenses shall be borne by the issuing State.

## **Article 629. Relation to other Legal Instruments**

1. Without prejudice to their application in relations between States and third countries, this Title, from the date of entry into force of this Agreement, replaces the corresponding provisions of the following conventions applicable in the field of extradition in relations between the United Kingdom, on the one side, and Member States, on the other side:

a) the European Convention on Extradition, done at Paris on 13 December 1957, and its additional protocols; and

(b) the European Convention on the Suppression of Terrorism, as far as extradition is concerned.

2. Where the Conventions referred to in paragraph 1 apply to the territories of States or to territories for whose external relations a State is responsible to which this Title does not apply, those Conventions continue to govern the relations existing between those territories and the other States.

## **Article 630. Review of Notifications**

When carrying out the joint review of this Title as referred to in Article 691(1), the Parties shall consider the need to maintain the notifications made under Article 599(4), Article 602(2) and Article 603(2). If the notifications referred to in Article 603(2) are not renewed, they shall expire five years after the date of entry into force of this Agreement. Notifications as referred to in Article 603(2) may only be renewed or newly made during the three months prior to the fifth anniversary of the entry into force of this Agreement and, subsequently, every five years thereafter, provided that the conditions set out in Article 603(2) are met at that time.

## **Article 631. Ongoing Arrest Warrants In Case of Disapplication**

Notwithstanding Article 526, Article 692 and Article 693, the provisions of this Title apply in respect of arrest warrants where the requested person was arrested before the disapplication of this Title for the purposes of the execution of an arrest warrant, irrespective of the decision of the executing judicial authority as to whether the requested person is to remain in detention or be provisionally released.

## **Article 632. Application to Existing European Arrest Warrants.**

This Title shall apply in respect of European arrest warrants issued in accordance with Council Framework Decision 2002/584/JHA (1) by a State before the end of the transition period where the requested person has not been arrested for the purpose of its execution before the end of the transition period.

(1) Council Framework Decision 2002/584/JHA of 13 June 2002 on the European arrest warrant and the surrender procedures between Member States (OJ EU L 190, 18.7.2002, p. 1).

## **Title VII. MUTUAL ASSISTANCE**

### **Article 633. Objective**

1. The objective of this Title is to supplement the provisions, and facilitate the application between Member States, on the one side, and the United Kingdom, on the other side, of:

- (a) the European Convention on Mutual Assistance in Criminal Matters, done at Strasbourg on 20 April 1959 (the "European Mutual Assistance Convention");
  - (b) the Additional Protocol to the European Mutual Assistance Convention, done at Strasbourg on 17 March 1978; and.
  - (c) the Second Additional Protocol to the European Mutual Assistance Convention, done at Strasbourg on 8 November 2001.
2. This Title is without prejudice to the provisions of Title IX, which takes precedence over this Title.

### **Article 634. Definition of Competent Authority**

For the purposes of this Title, "competent authority" means any authority which is competent to send or receive requests for mutual assistance in accordance with the provisions of the European Mutual Assistance Convention and its Protocols and as defined by States in their respective declarations addressed to the Secretary General of the Council of Europe. "Competent authority" also includes Union bodies notified in accordance with point (d) of Article 690; with regard to such Union bodies, the provisions of this Title apply accordingly.

### **Article 635. Form for a Request for Mutual Assistance**

1. The Specialised Committee on Law Enforcement and Judicial Cooperation shall undertake to establish a standard form for requests for mutual assistance by adopting an annex to this Agreement.
2. If the Specialised Committee on Law Enforcement and Judicial Cooperation has adopted a decision in accordance with paragraph 1, requests for mutual assistance shall be made using the standard form.
3. The Specialised Committee on Law Enforcement and Judicial Cooperation may amend the standard form for requests for mutual assistance as may be necessary.

### **Article 636. Conditions for a Request for Mutual Assistance**

1. The competent authority of the requesting State may only make a request for mutual assistance if it is satisfied that the following conditions are met:
  - (a) the request is necessary and proportionate for the purpose of the proceedings, taking into account the rights of the suspected or accused person; and
  - (b) the investigative measure or investigative measures indicated in the request could have been ordered under the same conditions in a similar domestic case.
2. The requested State may consult the requesting State if the competent authority of the requested State is of the view that the conditions in paragraph 1 are not met. After the consultation, the competent authority of the requesting State may decide to withdraw the request for mutual assistance.

### **Article 637. Recourse to a Different Type of Investigative Measure**

1. Wherever possible, the competent authority of the requested State shall consider recourse to an investigative measure other than the measure indicated in the request for mutual assistance if
  - (a) the investigative measure indicated in the request does not exist under the law of the requested State; or
  - (b) the investigative measure indicated in the request would not be available in a similar domestic case.
2. Without prejudice to the grounds for refusal available under the European Mutual Assistance Convention and its Protocols and under Article 639, paragraph 1 of this Article does not apply to the following investigative measures, which shall always be available under the law of the requested State:
  - (a) the obtaining of information contained in databases held by police or judicial authorities that is directly accessible by the competent authority of the requested State in the framework of criminal proceedings;
  - (b) the hearing of a witness, expert, victim, suspected or accused person or third party in the territory of the requested State;
  - (c) any non-coercive investigative measure as defined under the law of the requested State; and

(d) the identification of persons holding a subscription to a specified phone number or IP address.

3. The competent authority of the requested State may also have recourse to an investigative measure other than the measure indicated in the request for mutual assistance if the investigative measure selected by the competent authority of the requested State would achieve the same result by less intrusive means than the investigative measure indicated in the request.

4. If the competent authority of the requested State decides to have recourse to a measure other than that indicated in the request for mutual assistance as referred to in paragraph 1 or 3, it shall first inform the competent authority of the requesting State, which may decide to withdraw or supplement the request.

5. If the investigative measure indicated in the request does not exist under the law of the requested State or would not be available in a similar domestic case, and there is no other investigative measure which would have the same result as the investigative measure requested, the competent authority of the requested State shall inform the competent authority of the requesting State that it is not possible to provide the assistance requested.

### **Article 638. Obligation to Inform**

The competent authority of the requested State shall inform the competent authority of the requesting State by any means and without undue delay if

(a) it is impossible to execute the request for mutual assistance due to the fact that the request is incomplete or manifestly incorrect; or

(b) the competent authority of the requested State, in the course of the execution of the request for mutual assistance, considers without further enquiries that it may be appropriate to carry out investigative measures not initially foreseen, or which could not be specified when the request for mutual assistance was made, in order to enable the competent authority of the requesting State to take further action in the specific case.

### **Article 639. Ne Bis In Idem**

Mutual assistance may be refused, in addition to the grounds for refusal provided for under the European Mutual Assistance Convention and its Protocol, on the ground that the person in respect of whom the assistance is requested and who is subject to criminal investigations, prosecutions or other proceedings, including judicial proceedings, in the requesting State, has been finally judged by another State in respect of the same acts, provided that, if a penalty has been imposed, it has been enforced, is in the process of being enforced or can no longer be enforced under the law of the sentencing State.

### **Article 640. Time Limits**

1. The requested State shall decide whether to execute the request for mutual assistance as soon as possible and in any event no later than 45 days after the receipt of the request and shall inform the requesting State of its decision.

2. A request for mutual assistance shall be executed as soon as possible and in any event no later than 90 days after the decision referred to in paragraph 1 of this Article or after the consultation referred to in Article 636(2) has taken place.

3. If it is indicated in the request for mutual assistance that, due to procedural deadlines, the seriousness of the offence or other particularly urgent circumstances, a shorter time limit than that provided for in paragraph 1 or 2 is necessary, or if it is indicated in the request that a measure for mutual assistance is to be carried out on a specific date, the requested State shall take as full account as possible of that requirement.

4. If a request for mutual assistance is made to take provisional measures pursuant to Article 24 of the Second Additional Protocol to the European Mutual Assistance Convention, the competent authority of the requested State shall decide on the provisional measure, and shall communicate that decision to the competent authority of the requesting State, as soon as possible after the receipt of the request. Before lifting any provisional measure taken pursuant to this Article, the competent authority of the requested State, wherever possible, shall give the competent authority of the requesting State an opportunity to present its reasons in favour of continuing the measure.

5. If in a specific case, the time limit provided for in paragraph 1 or 2, or the time limit or specific date referred to in paragraph 3 cannot be met, or the decision on taking provisional measures in accordance with paragraph 4 is delayed, the competent authority of the requested State shall, without delay, inform the competent authority of the requesting State by any means, giving the reasons for the delay, and shall consult with the competent authority of the requesting State on the appropriate timing to execute the request for mutual assistance.

6. The time limits referred to in this Article do not apply if the request for mutual assistance is made in relation to any of the following offences and infringements that fall within scope of the European Mutual Assistance Convention and its Protocol, as defined in the law of the requesting State:

(a) speeding, if no injury or death was caused to another person and if the excess speed was not significant;

(b) failure to wear a seatbelt;

(c) failure to stop at a red light or other mandatory stop signal;

(d) failure to wear a safety helmet; or

(e) using a forbidden lane (such as the forbidden use of an emergency lane, a lane reserved for public transport, or a lane closed down for road works).

7. The Specialised Committee on Law Enforcement and Judicial Cooperation shall keep the operation of paragraph 6 under review. It shall undertake to set time limits for the requests to which paragraph 6 applies within three years of the entry into force of this Agreement, taking into account the volume of requests. It may also decide that paragraph 6 shall no longer apply.

## **Article 641. Transmission of Requests for Mutual Assistance**

1. In addition to the channels of communication provided for under the European Mutual Assistance Convention and its Protocols, if direct transmission is provided for under their respective provisions, requests for mutual assistance may also be transmitted directly by public prosecutors in the United Kingdom to competent authorities of the Member States.

2. In addition to the channels of communication provided for under the European Mutual Assistance Convention and its Protocols, in urgent cases, any request for mutual assistance, as well as spontaneous information, may be transmitted via Europol or Eurojust, in line with the provisions in the respective Titles of this Agreement.

## **Article 642. Joint Investigation Teams**

If the competent authorities of States set up a Joint Investigation Team, the relationship between Member States within the Joint Investigation Team shall be governed by Union law, notwithstanding the legal basis referred to in the Agreement on the setting up of the Joint Investigation Team.

## **Title IX. EXCHANGE OF CRIMINAL RECORD INFORMATION**

### **Article 643. Objective**

1. The objective of this Title is to enable the exchange between the Member States, on the one side, and the United Kingdom, on the other side, of information extracted from the criminal record.

2. In the relations between the United Kingdom and the Member States, the provisions of this Title:

(a) supplement Articles 13 and 22(2) of the European Convention on Mutual Assistance in Criminal Matters and its Additional Protocol of 17 March 1978 and 8 November 2001; and

(b) replace Article 22(1) of the European Convention on Mutual Assistance in Criminal Matters, as supplemented by Article 4 of its Additional Protocol of 17 March 1978.

3. In the relations between a Member State, on the one side, and the United Kingdom, on the other side, each shall waive the right to rely on its reservations to Article 13 of the European Convention on Mutual Assistance in Criminal Matters and to Article 4 of its Additional Protocol of 17 March 1978.

### **Article 644. Definitions**

For the purposes of this Title, the following definitions apply:

(a) "conviction" means any final decision of a criminal court against a natural person in respect of a criminal offence, to the extent that the decision is entered in the criminal record of the convicting State;

(b) "criminal proceedings" means the pre-trial stage, the trial stage and the execution of a conviction;

(c) "criminal record" means the domestic register or registers recording convictions in accordance with domestic law.

## **Article 645. Central Authorities**

Each State shall designate one or more central authorities that shall be competent for the exchange of information extracted from the criminal record pursuant to this Title and for the exchanges referred to in Article 22(2) of the European Convention on Mutual Assistance in Criminal Matters.

## **Article 646. Notifications**

1. Each State shall take the necessary measures to ensure that all convictions handed down within its territory are accompanied, when provided to its criminal record, by information on the nationality or nationalities of the convicted person if that person is a national of another State.
2. The central authority of each State shall inform the central authority of any other State of all criminal convictions handed down within its territory in respect of nationals of the latter State, as well as of any subsequent alterations or deletions of information contained in the criminal record, as entered in the criminal record. The central authorities of the States shall communicate such information to each other at least once per month.
3. If the central authority of a State becomes aware of the fact that a convicted person is a national of two or more other States, it shall transmit the relevant information to each of those States, even if the convicted person is a national of the State within whose territory that person was convicted.

## **Article 647. Storage of Convictions.**

1. The central authority of each State shall store all information notified under Article 646.
2. The central authority of each State shall ensure that if a subsequent alteration or deletion is notified under Article 646(2), an identical alteration or deletion is made to the information stored in accordance with paragraph 1 of this Article.
3. The central authority of each State shall ensure that only information which has been updated in accordance with paragraph 2 of this Article is provided when replying to requests made under Article 648.

## **Article 648. Requests for Information**

1. If information from the criminal record of a State is requested at domestic level for the purposes of criminal proceedings against a person or for any purposes other than that of criminal proceedings, the central authority of that State may, in accordance with its domestic law, submit a request to the central authority of another State for information and related data to be extracted from the criminal record.
2. If a person asks the central authority of State other than the State of the person's nationality for information on the person's own criminal record, that central authority shall submit a request to the central authority of the State of the person's nationality for information and related data to be extracted from the criminal record in order to be able to include that information and related data in the extract to be provided to the person concerned.

## **Article 649. Replies to Requests**

1. Replies to requests for information shall be transmitted by the central authority of the requested State to the central authority of the requesting State as soon as possible and in any event within 20 working days from the date the request was received.
2. The central authority of each State shall reply to requests made for purposes other than that of criminal proceedings in accordance with its domestic law.
3. Notwithstanding paragraph 2, when replying to requests made for the purposes of recruitment for professional or organised voluntary activities involving direct and regular contacts with children, the States shall include information on the existence of criminal convictions for offences related to sexual abuse or sexual exploitation of children, child pornography, solicitation of children for sexual purposes, including inciting, aiding and abetting or attempting to commit any of those offences, as well as information on the existence of any disqualification from exercising activities involving direct and regular contacts with children arising from those criminal convictions,

## **Article 650. Channel of Communication**

The exchange between States of information extracted from the criminal record shall take place electronically in accordance with the technical and procedural specifications laid down in Annex 44.

## **Article 651. Conditions for the Use of Personal Data**

1. Each State may use personal data received in reply to its request under Article 649 only for the purposes for which they were requested.
2. If the information was requested for any purposes other than that of criminal proceedings, personal data received under Article 649 may be used by the requesting State in accordance with its domestic law only within the limits specified by the requested State in the form set out in Chapter 2 of Annex 44.
3. Notwithstanding paragraphs 1 and 2 of this Article, personal data provided by a State in reply to a request under Article 649 may be used by the requesting State to prevent an immediate and serious threat to public security.
4. Each State shall ensure that their central authorities do not disclose personal data notified under Article 646 to authorities in third countries unless the following conditions are met:
  - (a) the personal data are disclosed only on a case-by-case basis;
  - (b) the personal data are disclosed to authorities whose functions are directly related to the purposes for which the personal data are disclosed under point (c) of this paragraph;
  - (c) the personal data are disclosed only if necessary:
    - (i) for the purposes of criminal proceedings;
    - (ii) for any purposes other than that of criminal proceedings; or
    - (iii) to prevent an immediate and serious threat to public security,
  - (d) the personal data may be used by the requesting third country only for the purposes for which the information was requested and within the limits specified by the State that notified the personal data under Article 646; and
  - (e) the personal data are disclosed only if the central authority, having assessed all the circumstances surrounding the transfer of the personal data to the third country, concludes that appropriate safeguards exist to protect the personal data.
2. This Article does not apply to personal data obtained by a State under this Title and originating from that State.

## **Title X. ANTI-MONEY LAUNDERING AND COUNTER TERRORIST FINANCING**

### **Article 652. Objective**

The objective of this Title is to support and strengthen action by the Union and the United Kingdom to prevent and combat money laundering and terrorist financing,

### **Article 653. Measures to Prevent and Combat Money Laundering and Terrorist Financing**

1. The Parties agree to support international efforts to prevent and combat money laundering and terrorist financing. The Parties recognise the need to cooperate in preventing the use of their financial systems to launder the proceeds of all criminal activity, including drug trafficking and corruption, and to combat terrorist financing.
2. The Parties shall exchange relevant information, as appropriate within their respective legal frameworks.
3. The Parties shall each maintain a comprehensive regime to combat money laundering and terrorist financing, and regularly review the need to enhance that regime, taking account of the principles and objectives of the Financial Action Task Force Recommendations.

### **Article 654. Beneficial Ownership Transparency for Corporate and other Legal Entities**

1. For the purposes of this Article, the following definitions apply:

(a) "beneficial owner" means any individual in respect of a corporate entity who, in accordance with the Party's laws and regulations:

(i) exercises or has the right to exercise ultimate control over the management of the entity,

(ii) ultimately owns or controls directly or indirectly more than 25 % of the voting rights or shares or other ownership interests in the entity, without prejudice to each Party's right to define a lower percentage; or

(iii) otherwise controls or has the right to control the entity,

In respect of legal entities such as foundations, Anstalt and limited liability partnerships, each Party has the right to determine similar criteria for identifying the beneficial owner, or, if they choose, to apply the definition set out in point (a) of Article 655(1), having regard to the form and structure of such entities.

In respect of other legal entities not mentioned above, each Party shall take into account the different forms and structures of such entities and the level of money laundering and terrorist financing risks associated with such entities, with a view to deciding the appropriate levels of beneficial ownership transparency;

(b) "basic information about a beneficial owner" means the beneficial owner's name, month and year of birth, country of residence and nationality, as well as the nature and extent of the interest held, or control exercised, over the entity by the beneficial owner,

(c) "competent authorities" means:

(i) public authorities, including Financial Intelligence Units, that have designated responsibilities for combating money laundering or terrorist financing;

(ii) public authorities that have the function of investigating or prosecuting money laundering, associated predicate offences or terrorist financing, or that have the function of tracing, seizing or freezing and confiscating criminal assets;

(iii) public authorities that have supervisory or monitoring responsibilities aimed at ensuring compliance with anti-money laundering or counter terrorist financing requirements.

This definition is without prejudice to each Party's right to identify additional competent authorities that can access information about beneficial owners.

2. Each Party shall ensure that legal entities in its territory maintain adequate, accurate and up-to-date information about beneficial owners. Each Party shall put in place mechanisms to ensure that their competent authorities have timely access to such information.

3. Each Party shall establish or maintain a central register holding adequate, up-to-date and accurate information about beneficial owners. In the case of the Union, the central registers shall be set up at the level of the Member States. This obligation shall not apply in respect of legal entities listed on a stock exchange that are subject to disclosure requirements regarding an adequate level of transparency. Where no beneficial owner is identified in respect of an entity, the register shall hold alternative information, such as a statement that no beneficial owner has been identified or details of the natural person or persons who hold the position of senior managing official in the legal entity.

4. Each Party shall ensure that the information held in its central register or registers is made available to its competent authorities without restriction and in a timely manner.

5. Each Party shall ensure that basic information about beneficial owners is made available to any member of the public. Limited exceptions may be made to the public availability of information under this paragraph in cases where public access would expose the beneficial owner to disproportionate risks, such as risks of fraud, kidnapping, blackmail, extortion, harassment, violence or intimidation, or where the beneficial owner is a minor or otherwise legally incapable.

6. Each Party shall ensure that there are effective, proportionate and dissuasive sanctions against legal or natural persons who fail to comply with requirements imposed on them in connection with the matters referred to in this Article.

7. Each Party shall ensure that its competent authorities are able to provide the information referred to in paragraphs 2 and 3 to the competent authorities of the other Party in a timely and effective manner and free of charge. To that end, the Parties shall consider ways to ensure the secure exchange of information.

## **Article 655. Beneficial Ownership Transparency of Legal Arrangements**



1. For the purposes of this Article, the following definitions apply:

(a) "beneficial owner" means the settlor, the protector (if any), trustees, the beneficiary or class of beneficiaries, any person holding an equivalent position in relation to a legal arrangement with a structure or function similar to an express trust, and any other natural person exercising ultimate effective control over a trust or a similar legal arrangement;

(b) "competent authorities" means:

(i) public authorities, including Financial Intelligence Units, that have designated responsibilities for combating money laundering or terrorist financing;

(ii) public authorities that have the function of investigating or prosecuting money laundering, associated predicate offences or terrorist financing or the function of tracing, seizing or freezing and confiscating criminal assets;

(iii) public authorities that have supervisory or monitoring responsibilities aimed at ensuring compliance with anti-money laundering or counter terrorist financing requirements.

This definition is without prejudice to each Party's right to identify additional competent authorities that can access information about beneficial owners.

2. Each Party shall ensure that trustees of express trusts maintain adequate, accurate and up-to-date information about beneficial owners. These measures shall also apply to other legal arrangements identified by each Party as having a structure or function similar to trusts.

3. Each Party shall put in place mechanisms to ensure that its competent authorities have timely access to adequate, accurate and up-to-date information about beneficial owners of express trusts and other legal arrangements with a structure or function similar to trusts in its territory.

4. If the beneficial ownership information about trusts or similar legal arrangements is held in a central register, the State concerned shall ensure that the information is adequate, accurate and up-to-date, and that competent authorities have timely and unrestricted access to such information. The Parties shall endeavour to consider ways to provide access to beneficial ownership information about trusts and similar legal arrangements to individuals or organisations who can demonstrate a legitimate interest in seeing such information.

5. Each Party shall ensure that there are effective, proportionate and dissuasive sanctions against legal or natural persons who fail to comply with requirements imposed on them in connection with the matters referred to in this Article.

6. Each Party shall ensure that its competent authorities are able to provide the information referred to in paragraph 3 to the competent authorities of the other Party in a timely and effective manner and free of charge. To that end, the Parties shall consider ways to ensure the secure exchange of information.

## **Title XI. FREEZING AND CONFISCATION**

### **Article 656. Objective and Principles of Cooperation**

1. The objective of this Title is to provide for cooperation between the United Kingdom, on the one side, and the Member States, on the other side, to the widest extent possible for the purposes of investigations and proceedings aimed at the freezing of property with a view to subsequent confiscation thereof and investigations and proceedings aimed at the confiscation of property within the framework of proceedings in criminal matters. This does not preclude other cooperation pursuant to Article 665(5) and (6). This Title also provides for cooperation with Union bodies designated by the Union for the purposes of this Title.

2. Each State shall comply, under the conditions provided for in this Title, with requests from another State:

(a) for the confiscation of specific items of property, as well as for the confiscation of proceeds consisting in a requirement to pay a sum of money corresponding to the value of proceeds;

(b) for investigative assistance and provisional measures with a view to either form of confiscation referred to in point (a).

3. Investigative assistance and provisional measures sought under point (b) of paragraph 2 shall be carried out as permitted by and in accordance with the domestic law of the requested State. Where the request concerning one of these measures specifies formalities or procedures which are necessary under the domestic law of the requesting State, even if unfamiliar to the requested State, the latter shall comply with such requests to the extent that the action sought is not contrary to the

fundamental principles of its domestic law.

4. The requested State shall ensure that the requests coming from another State to identify, trace, freeze or seize the proceeds and instrumentalities, receive the same priority as those made in the framework of domestic procedures.

5. When requesting confiscation, investigative assistance and provisional measures for the purposes of confiscation, the requesting State shall ensure that the principles of necessity and proportionality are respected.

6. The provisions of this Title apply in place of the "international cooperation" Chapters of the Council of Europe Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime and on the Financing of Terrorism, done at Warsaw on 16 May 2005 (the "2005 Convention") and the Convention on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime, done at Strasbourg on 8 November 1990 (the "1990 Convention"). Article 657 of this Agreement replaces the corresponding definitions in Article 1 of the 2005 Convention and Article 1 of the 1990 Convention. The provisions of this Title do not affect the States' obligations under the other provisions of the 2005 Convention and the 1990 Convention.

## **Article 657. Definitions**

For the purposes of this Title, the following definitions apply:

(a) "confiscation" means a penalty or a measure ordered by a court following proceedings in relation to a criminal offence or criminal offences, resulting in the final deprivation of property,

(b) "freezing" or "seizure" means temporarily prohibiting the transfer, destruction, conversion, disposition or movement of property or temporarily assuming custody or control of property on the basis of an order issued by a court or other competent authority,

(c) "instrumentalities" means any property used or intended to be used, in any manner, wholly or in part, to commit a criminal offence or criminal offences;

(d) "judicial authority" means an authority that is, under domestic law, a judge, a court or a public prosecutor; a public prosecutor is considered a judicial authority only to the extent that domestic law so provides;

(e) "proceeds" means any economic benefit, derived from or obtained, directly or indirectly, from criminal offences, or an amount of money equivalent to that economic benefit; it may consist of any property as defined in this Article;

(f) "property" includes property of any description, whether corporeal or incorporeal, movable or immovable, and legal documents or instruments evidencing title or interest in such property, which the requesting State considers to be:

(i) the proceeds of a criminal offence, or its equivalent, whether the full amount of the value of such proceeds or only part of the value of such proceeds;

(ii) the instrumentalities of a criminal offence, or the value of such instrumentalities;

(iii) subject to confiscation under any other provisions relating to powers of confiscation under the law of the requesting State, following proceedings in relation to a criminal offence, including third party confiscation, extended confiscation and confiscation without final conviction.

## **Article 658. Obligation to Assist**

The States shall afford each other, upon request, the widest possible measure of assistance in the identification and tracing of instrumentalities, proceeds and other property liable to confiscation. Such assistance shall include any measure providing and securing evidence as to the existence, location or movement, nature, legal status or value of those instrumentalities, proceeds or other property.

## **Article 659. Requests for Information on Bank Accounts and Safe Deposit Boxes**

1. The requested State shall, under the conditions set out in this Article, take the measures necessary to determine, in answer to a request sent by another State, whether a natural or legal person that is the subject of a criminal investigation holds or controls one or more accounts, of whatever nature, in any bank located in its territory and, if so, provide the details of the identified accounts. These details shall in particular include the name of the customer account holder and the IBAN number, and, in the case of safe deposit boxes, the name of the lessee or a unique identification number,

2. The obligation set out in paragraph 1 applies only to the extent that the information is in the possession of the bank keeping the account.

3. In addition to the requirements of Article 680, the requesting State shall, in the request:

(a) indicate why it considers that the requested information is likely to be of substantial value for the purposes of the criminal investigation into the offence;

(b) state on what grounds it presumes that banks in the requested State hold the account and specify, to the widest extent possible, which banks and accounts may be involved; and

(c) include any additional information available which may facilitate the execution of the request.

4. The United Kingdom and the Union, acting on behalf of any of its Member States, may each notify the Specialised Committee on Law Enforcement and Judicial Cooperation that this Article will be extended to accounts held in non-bank financial institutions. Such notifications may be made subject to the principle of reciprocity.

## **Article 660. Requests for Information on Banking Transactions**

1. On request by another State, the requested State shall provide the particulars of specified bank accounts and of banking operations which have been carried out during a specified period through one or more accounts specified in the request, including the particulars of any sending or recipient account,

2. The obligation set out in paragraph 1 applies only to the extent that the information is in the possession of the bank keeping the account.

3. In addition to the requirements of Article 680, the requesting State shall indicate in its request why it considers the requested information relevant for the purposes of the criminal investigation into the offence.

4. The requested State may make the execution of such a request dependent on the same conditions as it applies in respect of requests for search and seizure.

5. The United Kingdom and the Union, acting on behalf of any of its Member States, may each notify the Specialised Committee on Law Enforcement and Judicial Cooperation that this Article will be extended to accounts held in non-bank financial institutions. Such notifications may be made subject to the principle of reciprocity.

## **Article 661. Requests for the Monitoring of Banking Transactions**

1. The requested State shall ensure that, at the request of another State, it is able to monitor, during a specified period, the banking operations that are being carried out through one or more accounts specified in the request and to communicate the results of the monitoring to the requesting State.

2. In addition to the requirements of Article 680, the requesting State shall indicate in its request why it considers the requested information relevant for the purposes of the criminal investigation into the offence.

3. The decision to monitor shall be taken in each individual case by the competent authorities of the requested State, in accordance with its domestic law.

4. The practical details regarding the monitoring shall be agreed between the competent authorities of the requesting and requested States.

5. The United Kingdom and the Union, acting on behalf of any of its Member States, may each notify the Specialised Committee on Law Enforcement and Judicial Cooperation that this Article will be extended to accounts held in non-bank financial institutions. Such notifications may be made subject to the principle of reciprocity.

## **Article 662. Spontaneous Information**

Without prejudice to its own investigations or proceedings, a State may without prior request forward to another State information on instrumentalities, proceeds and other property liable to confiscation, where it considers that the disclosure of such information might assist the receiving State in initiating or carrying out investigations or proceedings or might lead to a request by that State under this Title.

## **Article 663. Obligation to Take Provisional Measures**

- 1, At the request of another State which has instituted a criminal investigation or proceedings, or an investigation or proceedings for the purposes of confiscation, the requested State shall take the necessary provisional measures, such as freezing or seizing, to prevent any dealing in, transfer or disposal of property which, at a later stage, may be the subject of a request for confiscation or which might satisfy the request.
2. A State which has received a request for confiscation pursuant to Article 665 shall, if so requested, take the measures referred to in paragraph 1 of this Article in respect of any property which 3 the subject of the request or which might satisfy the request.
3. Where a request is received under this Article, the requested State shall take all necessary measures to comply with the request without delay and with the same speed and priority as for a similar domestic case and send confirmation without delay and by any means of producing a written record to the requesting State.
4. Where the requesting State states that immediate freezing is necessary since there are legitimate grounds to believe that the property in question will immediately be removed or destroyed, the requested State shall take all necessary measures to comply with the request within 96 hours of receiving the request and send confirmation to the requesting State by any means of producing a written record and without delay.
5. Where the requested State is unable to comply with the time limits under paragraph 4, the requested State shall immediately inform the requesting State, and consult with the requesting State on the appropriate next steps.
6. Any expiration of the time limits under paragraph 4 does not extinguish the requirements placed on the requested State by this Article.

## **Article 664. Execution of Provisional Measures**

1. After the execution of the provisional measures requested in conformity with Article 663(1), the requesting State shall provide spontaneously and as soon as possible to the requested State all information which may question or modify the extent of those measures. The requesting State shall also provide without delay all complementary information required by the requested State and which is necessary for the implementation of and the follow-up to the provisional measures.
2. Before lifting any provisional measure taken pursuant to Article 663, the requested State shall, wherever possible, give the requesting State an opportunity to present its reasons in favour of continuing the measure.

## **Article 665. Obligation to Confiscate**

1. The State which has received a request for confiscation of property situated in its territory shall:
  - (a) enforce a confiscation order made by a court of the requesting State in relation to such property, or
  - (b) submit the request to its competent authorities for the purpose of obtaining an order of confiscation and, if such an order is granted, enforce it.
2. For the purposes of point (b) of paragraph 1, the States shall, whenever necessary, have competence to institute confiscation proceedings under their own domestic law.
3. Paragraph 1 also applies to confiscation consisting in a requirement to pay a sum of money corresponding to the value of proceeds, if property against which the confiscation can be enforced is located in the requested State. In such cases, when enforcing confiscation pursuant to paragraph 1, the requested State shall, if payment is not obtained, realise the claim on any property available for that purpose.
4. If a request for confiscation concerns a specific item of property, the requesting State and requested State may agree that the requested State may enforce the confiscation in the form of a requirement to pay a sum of money corresponding to the value of the property.
5. A State shall cooperate to the widest extent possible under its domestic law with a State requesting the execution of measures equivalent to confiscation of property, where the request has not been issued in the framework of proceedings in criminal matters, in so far as such measures are ordered by a judicial authority of the requesting State in relation to a criminal offence, provided that it has been established that the property constitutes proceeds or:
  - (a) other property into which the proceeds have been transformed or converted;
  - (b) property acquired from legitimate sources, if proceeds have been intermingled, in whole or in part, with such property,

up to the assessed value of the intermingled proceeds; or

(c) income or other benefit derived from the proceeds, from property into which proceeds of crime have been transformed or converted or from property with which the proceeds of crime have been intermingled, up to the assessed value of the intermingled proceeds, in the same manner and to the same extent as proceeds.

6. The measures referred to in paragraph 5 include measures which allow the seizure, detention and forfeiture of property and assets by means of applications to civil courts.

7. The requested State shall take the decision on the execution of the confiscation order without delay, and, without prejudice to paragraph 8 of this Article, no later than 45 days after receiving the request, The requested State shall send confirmation to the requesting State by any means of producing a written record and without delay. Unless grounds for postponement under Article 672 exist, the requested State shall take the concrete measures necessary to execute the confiscation order without delay and, at least, with the same speed and priority as for a similar domestic case.

8. Where the requested State is unable to comply with the time limit under paragraph 7, the requested State shall immediately inform the requesting State, and consult with the requesting State on the appropriate next steps.

9. Any expiration of the time limit under paragraph 7 does not extinguish the requirements placed on the requested State by this Article.

## **Article 666. Execution of Confiscation**

1. The procedures for obtaining and enforcing the confiscation under Article 665 shall be governed by the domestic law of the requested State.

2. The requested State shall be bound by the findings as to the facts in so far as they are stated in a conviction or judicial decision issued by a court of the requesting State or in so far as such conviction or judicial decision is implicitly based on them.

3. If the confiscation consists in the requirement to pay a sum of money, the competent authority of the requested State shall convert the amount thereof into the currency of that State at the rate of exchange applicable at the time when the decision to enforce the confiscation is taken.

## **Article 667. Confiscated Property**

1. Subject to paragraphs 2 and 3 of this Article, property confiscated pursuant to Articles 665 and 666 shall be disposed of by the requested State in accordance with its domestic law and administrative procedures.

2. When acting on the request made by another State pursuant to Article 665, the requested State shall, to the extent permitted by its domestic law and if so requested, give priority consideration to returning the confiscated property to the requesting State so that it can give compensation to the victims of the crime or return such property to their legitimate owners.

3. Where acting on the request made by another State in accordance with Article 665, and after having taken into account the right of a victim to restitution or compensation of property pursuant to paragraph 2 of this Article, the requested State shall dispose of the money obtained as a result of the execution of a confiscation order as follows:

(a) if the amount is equal to or less than EUR 10 000, the amount shall accrue to the requested State; or

(b) if the amount is greater than EUR 10 000, the requested State shall transfer 50 % of the amount recovered to the requesting State.

4. Notwithstanding paragraph 3, the requesting State and requested State may, on a case-by-case basis, give special consideration to concluding other such agreements or arrangements on disposal of property as they deem appropriate.

## **Article 668. Right of Enforcement and Maximum Amount of Confiscation**

1. A request for confiscation made under Article 665 does not affect the right of the requesting State to enforce the confiscation order itself

2. Nothing in this Title shall be interpreted as permitting the total value of the confiscation to exceed the amount of the sum of money specified in the confiscation order. If a State finds that this might occur, the States concerned shall enter into

consultations to avoid such an effect.

## **Article 669. Imprisonment**

The requested State shall not impose imprisonment in default or any other measure restricting the liberty of a person as a result of a request under Article 665 without the consent of the requesting State.

## **Article 670. Grounds for Refusal**

1. Cooperation under this Title may be refused if

(a) the requested State considers that executing the request would be contrary to the principle of *ne bis in idem*; or

(b) the offence to which the request relates does not constitute an offence under the domestic law of the requested State if committed within its jurisdiction; however, this ground for refusal applies to cooperation under Articles 658 to 662 only in so far as the assistance sought involves coercive action.

2. The United Kingdom and the Union, acting on behalf of any of its Member States, may each notify the Specialised Committee on Law Enforcement and Judicial Cooperation that, on the basis of reciprocity, the condition of double criminality referred to in point (6) of paragraph 1 of this Article will not be applied provided that the offence giving rise to the request is:

(a) one of the offences listed in Article 599(5), as defined by the law of the requesting State; and

(b) punishable by the requesting State by a custodial sentence or a detention order for a maximum period of at least three years.

3. Cooperation under Articles 658 to 662, in so far as the assistance sought involves coercive action, and under Articles 663 and 664 may also be refused if the measures sought could not be taken under the domestic law of the requested State for the purposes of investigations or proceedings in a similar domestic case.

4. Where the domestic law of the requested State so requires, cooperation under Articles 658 to 662, in so far as the assistance sought involves coercive action, and under Articles 663 and 664 may also be refused if the measures sought or any other measures having similar effects would not be permitted under the domestic law of the requesting State, or, as regards the competent authorities of the requesting State, if the request is not authorised by a judicial authority acting in relation to criminal offences.

5. Cooperation under Articles 665 to 669 may also be refused if

(a) under the domestic law of the requested State, confiscation is not provided for in respect of the type of offence to which the request relates;

(b) without prejudice to the obligation pursuant to Article 665(3), it would be contrary to the principles of the domestic law of the requested State concerning the limits of confiscation in respect of the relationship between an offence and:

(i) an economic advantage that might be qualified as its proceeds; or

(ii) property that might be qualified as its instrumentalities;

(c) under the domestic law of the requested State, confiscation may no longer be imposed or enforced because of the lapse of time;

(d) without prejudice to Article 665(5) and (6), the request does not relate to a previous conviction, or a decision of a judicial nature or a statement in such a decision that an offence or several offences have been committed, on the basis of which the confiscation has been ordered or is sought;

(e) confiscation is either not enforceable in the requesting State, or it is still subject to ordinary means of appeal; or

(f) the request relates to a confiscation order resulting from a decision rendered in absentia of the person against whom the order was issued and, in the opinion of the requested State, the proceedings conducted by the requesting State leading to such decision did not satisfy the minimum rights of defence recognised as due to everyone against whom a criminal charge is made.

6. For the purposes of point (f) of paragraph 5 a decision is not considered to have been rendered in absentia if

(a) it has been confirmed or pronounced after opposition by the person concerned; or

(b) it has been rendered on appeal, provided that the appeal was lodged by the person concerned.

7. When considering, for the purposes of point (f) of paragraph 5, whether the minimum rights of defence have been satisfied, the requested State shall take into account the fact that the person concerned has deliberately sought to evade justice or the fact that that person, having had the possibility of lodging a legal remedy against the decision made in absentia, elected not to do so, The same applies where the person concerned, having been duly served with the summons to appear, elected not to do so nor to ask for adjournment.

8. The States shall not invoke bank secrecy as a ground to refuse any cooperation under this Title. Where its domestic law so requires, a requested State may require that a request for cooperation which would involve the lifting of bank secrecy be authorised by a judicial authority acting in relation to criminal offences.

9. The requested State shall not invoke the fact that:

(a) the person under investigation or subject to a confiscation order by the authorities of the requesting State is a legal person as an obstacle to affording any cooperation under this Title;

(b) the natural person against whom an order of confiscation of proceeds has been issued has died or a legal person against whom an order of confiscation of proceeds has been issued has subsequently been dissolved as an obstacle to affording assistance in accordance with point (a) of Article 665(1); or

(c) the person under investigation or subject to a confiscation order by the authorities of the requesting State is mentioned in the request both as the author of the underlying criminal offence and of the offence of money laundering as an obstacle to affording any cooperation under this Title.

## **Article 671. Consultation and Information**

Where there are substantial grounds for believing that the execution of a freezing or confiscation order would entail a real risk for the protection of fundamental rights, the requested State shall, before it decides on the execution of the freezing or confiscation order, consult the requesting State and may require any necessary information to be provided.

## **Article 672. Postponement**

The requested State may postpone action on a request if such action would prejudice investigations or proceedings by its authorities.

## **Article 673. Partial or Conditional Granting of a Request**

Before refusing or postponing cooperation under this Title, the requested State shall, where appropriate after having consulted the requesting State, consider whether the request may be granted partially or subject to such conditions as it deems necessary.

## **Article 674. Notification of Documents**

1. The States shall afford each other the widest measure of mutual assistance in the serving of judicial documents to persons affected by provisional measures and confiscation.

2. Nothing in this Article is intended to interfere with:

(a) the possibility of sending judicial documents, by postal channels, directly to persons abroad; and

(b) the possibility for judicial officers, officials or other competent authorities of the State of origin to effect service of judicial documents directly through the consular authorities of that State or through the judicial authorities, including judicial officers and officials, or other competent authorities of the State of destination.

3. When serving judicial documents to persons abroad affected by provisional measures or confiscation orders issued in the sending State, that State shall indicate what legal remedies are available under its domestic law to such persons.

## **Article 675. Recognition of Foreign Decisions**

1. When dealing with a request for cooperation under Articles 663 to 669 the requested State shall recognise any decision issued by a judicial authority taken in the requesting State regarding rights claimed by third parties.

2. Recognition may be refused if

(a) third parties did not have adequate opportunity to assert their rights;

(b) the decision is incompatible with a decision already taken in the requested State on the same matter;

(c) it is incompatible with the ordre public of the requested State; or

(d) the decision was taken contrary to provisions on exclusive jurisdiction provided for by the domestic law of the requested State.

## **Article 676. Authorities**

1. Each State shall designate a central authority to be responsible for sending and answering requests made under this Title, the execution of such requests or their transmission to the authorities competent for their execution.

2. The Union may designate a Union body which may, in addition to the competent authorities of the Member States, make and, if appropriate, execute requests under this Title. Any such request is to be treated for the purposes of this Title as a request by a Member State. The Union may also designate that Union body as the central authority responsible for the purpose of sending and answering requests made under this Title by, or to, that body.

## **Article 677. Direct Communication**

1. The central authorities shall communicate directly with one another.

2. In urgent cases, requests or communications under this Title may be sent directly by the judicial authorities of the requesting State to judicial authorities of the requested State. In such cases, a copy shall be sent at the same time to the central authority of the requested State through the central authority of the requesting State.

3. Where a request is made pursuant to paragraph 2 and the authority is not competent to deal with the request, it shall refer the request to the competent national authority and shall directly inform the requesting State that it has done so.

4. Requests or communications under Articles 658 to 662, which do not involve coercive action, may be directly transmitted by the competent authorities of the requesting State to the competent authorities of the requested State.

5. Draft requests or communications under this Title may be sent directly by the judicial authorities of the requesting State to the judicial authorities of the requested State prior to a formal request to ensure that the formal request can be dealt with efficiently upon receipt and that it contains sufficient information and supporting documentation for it to meet the requirements of the law of the requested State.

## **Article 678. Form of Request and Languages**

1. All requests under this Title shall be made in writing. They may be transmitted electronically, or by any other means of telecommunication, provided that the requesting State is prepared, upon request, to produce a written record of such communication and the original at any time.

2. Requests under paragraph 1 shall be made in one of the official languages of the requested State or in any other language notified by or on behalf of the requested State in accordance with paragraph 3.

3. The United Kingdom and the Union, acting on behalf of any of its Member States, may each notify the Specialised Committee on Law Enforcement and Judicial Cooperation of the language or languages which, in addition to the official language or languages of that State, may be used for making requests under this Title.

4. Requests under Article 663 for provisional measures shall be made using the prescribed form at Annex 46,

5. Requests under Article 665 for confiscation shall be made using the prescribed form at Annex 46.

6. The Specialised Committee on Law Enforcement and Judicial Cooperation may amend the forms referred to in paragraphs 4 and 5 as may be necessary.

7. The United Kingdom and the Union, acting on behalf of any of its Member States may each notify the Specialised Committee on Law Enforcement and Judicial Cooperation that it requires the translation of any supporting documents into one of the official languages of the requested State or any other language indicated in accordance with paragraph 3 of this Article. In the case of requests pursuant to Article 663(4), such translation of supporting documents may be provided to the



requested State within 48 hours after transmitting the request, without prejudice to the time limits provided for in Article 663(4).

## **Article 679. Legalisation**

Documents transmitted in application of this Title shall be exempt from all legalisation formalities.

## **Article 680. Content of Request**

1. Any request for cooperation under this Title shall specify:

(a) the authority making the request and the authority carrying out the investigations or proceedings;

(b) the object of and the reason for the request;

(c) the matters, including the relevant facts (such as date, place and circumstances of the offence) to which the investigations or proceedings relate, except in the case of a request for notification;

(d) insofar as the cooperation involves coercive action:

(e) the text of the statutory provisions or, where that is not possible, a statement of the relevant applicable law; and

(f) an indication that the measure sought or any other measures having similar effects could be taken in the territory of the requesting State under its own domestic law;

(g) where necessary and in so far as possible:

(i) details of the person or persons concerned, including name, date and place of birth, nationality and location, and, in the case of legal person, its seat; and

(ii) the property in relation to which cooperation is sought, its location, its connection with the person or persons concerned, any connection with the offence, as well as any available information about other persons, interests in the property, and if any particular procedure the requesting State wishes to be followed.

2. A request for provisional measures under Article 663 in relation to seizure of property on which a confiscation order consisting of the requirement to pay a sum of money may be realised shall also indicate a maximum amount for which recovery is sought in that property.

3. In addition to the information referred to in paragraph 1 of this Article, any request under Article 665 shall contain:

(a) in the case of point (a) of Article 665(1):

(i) a certified true copy of the confiscation order made by the court in the requesting State and a statement of the grounds on the basis of which the order was made, if they are not indicated in the order itself;

(ii) an attestation by the competent authority of the requesting State that the confiscation order is enforceable and not subject to ordinary means of appeal;

(iii) information as to the extent to which the enforcement of the order is requested; and

(iv) information as to the necessity of taking any provisional measures;

(b) in the case of point (b) of Article 665(1), a statement of the facts relied upon by the requesting State sufficient to enable the requested State to seek the order under its domestic law;

(c) where third parties have had the opportunity to claim rights, documents demonstrating that this has been the case.

## **Article 681. Defective Requests**

1. If a request does not comply with the provisions of this Title or the information supplied is not sufficient to enable the requested State to deal with the request, that State may ask the requesting State to amend the request or to complete it with additional information.

2. The requested State may set a time limit for the receipt of such amendments or information.

3. Pending receipt of the requested amendments or information in relation to a request under Article 665, the requested State may take any of the measures referred to in Articles 658 to 664.

## **Article 682. Plurality of Requests**

1. Where the requested State receives more than one request under Article 663 or Article 665 in respect of the same person or property, the plurality of requests shall not prevent that State from dealing with the requests involving the taking of provisional measures.

2. In the case of a plurality of requests under Article 665, the requested State shall consider consulting the requesting States.

## **Article 683. Obligation to Give Reasons**

The requested State shall give reasons for any decision to refuse, postpone or make conditional any cooperation under this Title.

## **Article 684. Information**

1. The requested State shall promptly inform the requesting State of

(a) the action initiated on the basis of a request under this Title;

(b) the final result of the action carried out on the basis of a request under this Title;

(c) a decision to refuse, postpone or make conditional, in whole or in part, any cooperation under this Title;

(d) any circumstances which render impossible the carrying out of the action sought or are likely to delay it significantly, and

(e) in the event of provisional measures taken pursuant to a request under Articles 658 to Article 663, such provisions of its domestic law as would automatically lead to the lifting of the provisional measure.

2. The requesting State shall promptly inform the requested State of

(a) any review, decision or any other fact by reason of which the confiscation order ceases to be wholly or partially enforceable; and

(b) any development, factual or legal, by reason of which any action under this Title is no longer justified.

3. Where a State, on the basis of the same confiscation order, requests confiscation in more than one State, it shall inform all States which are affected by the enforcement of the order about the request.

## **Article 685. Restriction of Use**

1. The requested State may make the execution of a request dependent on the condition that the information or evidence obtained is not, without its prior consent, to be used or transmitted by the authorities of the requesting State for investigations or proceedings other than those specified in the request.

2. Without the prior consent of the requested State, information or evidence provided by it under this Title shall not be used or transmitted by the authorities of the requesting State in investigations or proceedings other than those specified in the request.

3. Personal data communicated under this Title may be used by the State to which they have been transferred:

(a) for the purposes of proceedings to which this Title applies;

(b) for other judicial and administrative proceedings directly related to proceedings referred to in point (a);

(c) for preventing an immediate and serious threat to public security, or

(d) for any other purpose, only with the prior consent of the communicating State, unless the State concerned has obtained the consent of the data subject.

4. This Article shall also apply to personal data not communicated but obtained otherwise under this Title.

5. This Article does not apply to personal data obtained by the United Kingdom or a Member State under this Title and originating from that State.

## **Article 686. Confidentiality**

1. The requesting State may require that the requested State keep confidential the facts and substance of the request, except to the extent necessary to execute the request. If the requested State cannot comply with the requirement of confidentiality, it shall promptly inform the requesting State.

2. The requesting State shall, if not contrary to basic principles of its domestic law and if so requested, keep confidential any evidence and information provided by the requested State, except to the extent that its disclosure is necessary for the investigations or proceedings described in the request.

3. Subject to the provisions of its domestic law, a State which has received spontaneous information under Article 662 shall comply with any requirement of confidentiality as required by the State which supplies the information. If the receiving State cannot comply with such a requirement, it shall promptly inform the transmitting State.

## **Article 687. Costs**

The ordinary costs of complying with a request shall be borne by the requested State. Where costs of a substantial or extraordinary nature are necessary to comply with a request, the requesting and requested States shall consult in order to agree the conditions on which the request is to be executed and how the costs will be borne.

## **Article 688. Damages**

1. Where legal action on liability for damages resulting from an act or omission in relation to cooperation under this Title has been initiated by a person, the States concerned shall consider consulting each other, where appropriate, to determine how to apportion any sum of damages due.

2. A State which has become the subject of litigation for damages shall endeavour to inform the other State of such litigation if that State might have an interest in the case.

## **Article 689. Legal Remedies**

1. Each State shall ensure that persons affected by measures under Articles 663 to 666 have effective legal remedies in order to preserve their rights.

2. The substantive reasons for requested measures under Articles 663 to 666 shall not be challenged before a court in the requested State.

## **Title XII. OTHER PROVISIONS**

### **Article 690. Notifications**

1. By the date of entry into force of this Agreement, the Union and the United Kingdom shall make any of the notifications provided for in Article 602(2), Article 603(2), and Article 611(4) and shall, to the extent it is possible to do so, indicate whether no such notification is to be made.

To the extent that such a notification or indication has not been made in relation to a State, at the point in time referred to in the first subparagraph, notifications may be made in relation to that State as soon as possible and at the latest two months after the entry into force of this Agreement.

During that interim period, any State in relation to which no notification provided for in Article 602(2), Article 603(2), or Article 611(4) has been made, and which has not been the subject of an indication that no such notification is to be made, may avail itself of the possibilities provided for in that Article as if such a notification had been made in respect of that State. In the case of Article 603(2), a State may only avail itself of the possibilities provided for in that Article to the extent that to do so is compatible with the criteria for making a notification.

2. The notifications referred to in Article 599(4), Article 605(1), Article 606(2), Article 625(1), Article 626(1), Article 659(4), Article 660(5), Article 661(5), Article 670(2), and Article 678(3) and (7) may be made at any time.

3. The notifications referred to in Article 605(1), Article 606(2) and Article 678(3) and (7) may be modified at any time.

4. The notifications referred to in Article 602(2), Article 603(2), Article 605(1), Article 611(4), Article 659(4), Article 660(5), and Article 661(5) may be withdrawn at any time.

5. The Union shall publish information on notifications of the United Kingdom referred to in Article 605(1) in the Official Journal of the European Union.

6. By the date of entry into force of this Agreement, the United Kingdom shall notify the Union of the identity of the following authorities:

(a) the authority responsible for receiving and processing PNR data under Title III;

(b) the authority considered as the competent law enforcement authority for the purposes of Title V and a short description of its competences;

(c) the national contact point designated under Article 568(1);

(d) the authority considered as the competent authority for the purposes of Title VI and a short description of its competences;

(e) the contact point designated under Article 584(1);

(f) the United Kingdom Domestic Correspondent for Terrorism Matters designated under Article 584(2);

(g) the authority competent by virtue of domestic law of the United Kingdom to execute an arrest warrant, as referred to in point (c) of Article 598, and the authority competent by virtue of the domestic law of the United Kingdom to issue an arrest warrant, as referred to in point (d) of Article 598;

(h) the authority designated by the United Kingdom under Article 623(3);

(i) the central authority designated by the United Kingdom under Article 645;

(j) the central authority designated by the United Kingdom under Article 676(1).

The Union shall publish information about the authorities referred to in the first subparagraph in the Official Journal of the European Union.

7. By the date of entry into force of this Agreement, the Union shall, on its behalf or on behalf of its Member States as the case may be, notify the United Kingdom, of the identity of the following authorities:

(a) the Passenger Information Units established or designated by each Member State for the purposes of receiving and processing PNR data under Title III;

(b) the authority competent by virtue of the domestic law of each Member State to execute an arrest warrant, as referred to in point (c) of Article 598, and the authority competent by virtue of the domestic law of each Member State to issue an arrest warrant, as referred to in point (d) of Article 598;

(c) the authority designated for each Member State under Article 623(3);

(d) the Union body referred to in Article 634;

(e) the central authority designated by each Member State under Article 645;

(f) the central authority designated by each Member State under Article 676(1);

(g) any Union body designated under the first sentence of Article 676(2) and whether it is also designated as a central authority under the last sentence of that paragraph.

8. The notifications made under paragraph 6 or 7 may be modified at any time. Such modifications shall be notified to the Specialised Committee on Law Enforcement and Judicial Cooperation.

9. The United Kingdom and the Union may notify more than one authority with respect to points (a), (b), (d), (e), (g), (h), (i) and (j) of paragraph 6 and with respect to paragraph 7 respectively and may limit such notifications for particular purposes only.

10. Where the Union makes the notifications referred to in this Article, it shall indicate to which of its Member States the

notification applies or whether it is making the notification on its own behalf.

## **Article 691. Review and Evaluation**

- 1, This Part shall be jointly reviewed in accordance with Article 776 or at the request of either Party where jointly agreed.
2. The Parties shall decide in advance on how the review is to be conducted and shall communicate to each other the composition of their respective review teams. The review teams shall include persons with appropriate expertise with respect to the cases under review. Subject to applicable laws, all participants in a review shall be required to respect the confidentiality of the discussions and to have appropriate security clearances. For the purposes of such reviews, the United Kingdom and the Union shall make arrangements for appropriate access to relevant documentation, systems and personnel.
3. Without prejudice to paragraph 2, the review shall in particular address the practical implementation, interpretation and development of this Part.

## **Article 692. Termination**

1. Without prejudice to Article 779, each Party may at any moment terminate this Part by written notification through diplomatic channels. In that event, this Part shall cease to be in force on the first day of the ninth month following the date of notification.
2. However, if this Part is terminated on account of the United Kingdom or a Member State having denounced the European Convention on Human Rights or Protocols 1, 6 or 13 thereto, this Part shall cease to be in force as of the date that such denunciation becomes effective or, if the notification of its termination is made after that date, on the fifteenth day following such notification.
3. If either Party gives notice of termination under this Article, the Specialised Committee on Law Enforcement and Judicial Cooperation shall meet to decide what measures are needed to ensure that any cooperation initiated under this Part is concluded in an appropriate manner. In any event, with regard to all personal data obtained through cooperation under this Part before it ceases to be in force, the Parties shall ensure that the level of protection under which the personal data were transferred is maintained after the termination takes effect.

## **Article 693. Suspension**

1. In the event of serious and systemic deficiencies within one Party as regards the protection of fundamental rights or the principle of the rule of law, the other Party may suspend this Part or Titles thereof, by written notification through diplomatic channels. Such notification shall specify the serious and systemic deficiencies on which the suspension is based.
2. In the event of serious and systemic deficiencies within one Party as regards the protection of personal data, including where those deficiencies have led to a relevant adequacy decision ceasing to apply, the other Party may suspend this Part or Titles thereof by written notification through diplomatic channels. Such notification shall specify the serious and systemic deficiencies on which the suspension is based.
3. For the purposes of paragraph 2, "relevant adequacy decision" means:

(a) in relation to the United Kingdom, a decision adopted by the European Commission, in accordance with Article 36 of Directive (EU) 2016/680 of the European Parliament and of the Council (1) or analogous successor legislation, attesting to the adequate level of protection;

(1) Directive (EU) 2016/680 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data by competent authorities for the purposes of the prevention, investigation, detection or prosecution of criminal offences or the execution of criminal penalties, and on the free movement of such data, and repealing Council Framework Decision 2008/977/JHA (OJ EU L 119, 4.5.2016, p. 89).

(b) in relation to the Union, a decision adopted by the United Kingdom attesting to the adequate level of protection for the purposes of transfers falling within the scope of Part 3 of the Data Protection Act 2018 (1) or analogous successor legislation.

(1) 2018 chapter 12.

4. In relation to the suspension of Title II or Title X, references to a "relevant adequacy decision" also include:

(a) in relation to the United Kingdom, a decision adopted by the European Commission, in accordance with Article 45 of Regulation (EU) 2016/679 of the European Parliament and of the Council (2) (General Data Protection Regulation) or analogous successor legislation attesting to the adequate level of protection;

(2) Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (Text with EEA relevance) (OJ EU L 119, 4.5.2016, p. 1).

(b) in relation to the Union, a decision adopted by the United Kingdom attesting to the adequate level of protection for the purposes of transfers falling within the scope of Part 2 of the Data Protection Act 2018 or analogous successor legislation.

5. The Titles concerned by the suspension shall provisionally cease to apply on the first day of the third month following the date of the notification referred to in paragraph 1 or 2, unless, no later than two weeks before the expiry of that period, as extended, as the case may be, in accordance with point (d) of paragraph 7, the Party which notified the suspension gives written notification to the other Party, through diplomatic channels, of its withdrawal of the first notification or of a reduction in scope of the suspension. In the latter case, only the Titles referred to in the second notification shall provisionally cease to apply.

6. If one Party notifies the suspension of one or several Titles of this Part pursuant to paragraph 1 or 2, the other Party may suspend all of the remaining Titles, by written notification through diplomatic channels, with three months' notice.

7. Upon the notification of a suspension pursuant to paragraph 1 or 2, the Partnership Council shall immediately be seized of the matter. The Partnership Council shall explore possible ways of allowing the Party that notified the suspension to postpone its entry into effect, to reduce its scope or to withdraw it. To that end, upon a recommendation of the Specialised Committee on Law Enforcement and Judicial Cooperation, the Partnership Council may:

(a) agree on joint interpretations of provisions of this Part;

(b) recommend any appropriate action to the Parties;

(c) adopt appropriate adaptations to this Part which are necessary to address the reasons underlying the suspension, with a maximum validity of 12 months; and

(d) extend the period referred to in paragraph 5 by up to three months.

8. If either Party gives notification of suspension under this Article, the Specialised Committee on Law Enforcement and Judicial Cooperation shall meet to decide what measures are needed to ensure that any cooperation initiated under this Part and affected by the notification is concluded in an appropriate manner. In any event, with regard to all personal data obtained through cooperation under this Part before the Titles concerned by the suspension provisionally cease to apply, the Parties shall ensure that the level of protection under which the personal data were transferred is maintained after the suspension takes effect.

9. The suspended Titles shall be reinstated on the first day of the month following the day on which the Party having notified the suspension pursuant to paragraph 1 or 2 has given written notification to the other Party, through diplomatic channels, of its intention to reinstate the suspended Titles. The Party having notified the suspension pursuant to paragraph 1 or 2 shall do so immediately after the serious and systemic deficiencies on the part of the other Party on which the suspension was based have ceased to exist.

10. Upon the notification of the intention to reinstate the suspended Titles in accordance with paragraph 9, the remaining Titles suspended pursuant to paragraph 6 shall be reinstated at the same time as the Titles suspended pursuant to paragraph 1 or 2.

## **Article 694. Expenses**

The Parties and the Member States, including institutions, bodies, offices and agencies of the Parties or the Member States, shall bear their own expenses which arise in the course of implementation of this Part, unless otherwise provided for in this Agreement.

## **Title XIII. DISPUTE SETTLEMENT**

## **Article 695. Objective**

The objective of this Title is to establish a swift, effective and efficient mechanism for avoiding and settling disputes between the Parties concerning this Part, including disputes concerning this Part when applied to situations governed by other provisions of this Agreement, with a view to reaching a mutually agreed solution, where possible.

## **Article 696. Scope**

1. This Title applies to disputes between the Parties concerning this Part (the "covered provisions").
2. The covered provisions shall include all provisions of this Part, with the exception of Articles 526 and 541, Article 552(14), Articles 562, 692, 693 and 700.

## **Article 697. Exclusivity**

The Parties undertake not to submit a dispute between them regarding this Part to a mechanism of settlement other than that provided for in this Title.

## **Article 698. Consultations**

1. If a Party (the "complaining Party") considers that the other Party (the "responding Party") has breached an obligation under this Part, the Parties shall endeavour to resolve the matter by entering into consultations in good faith, with the aim of reaching a mutually agreed solution.
2. The complaining Party may seek consultations by means of a written request delivered to the responding Party. The complaining Party shall specify in its written request the reasons for the request, including identification of the acts or omissions that the complaining Party considers as giving rise to the breach of an obligation by the responding Party, specifying the covered provisions it considers applicable.
3. The responding Party shall reply to the request promptly, and no later than two weeks after the date of its delivery. Consultations shall be held regularly within a period of three months following the date of delivery of the request in person or by any other means of communication agreed by the Parties.
4. The consultations shall be concluded within three months of the date of delivery of the request, unless the Parties agree to continue the consultations.
5. The complaining Party may request that the consultations be held in the framework of the Specialised Committee on Law Enforcement and Judicial Cooperation or in the framework of the Partnership Council. The first meeting shall take place within one month of the request for consultations referred to in paragraph 2 of this Article. The Specialised Committee on Law Enforcement and Judicial Cooperation may at any time decide to refer the matter to the Partnership Council, The Partnership Council may also seize itself of the matter. The Specialised Committee on Law Enforcement and Judicial Cooperation, or as the case may be, the Partnership Council, may resolve the dispute by a decision. Such a decision shall be considered a mutually agreed solution within the meaning of Article 699.
6. The complaining Party may at any time unilaterally withdraw its request for consultations. In such a case, the consultations shall be terminated immediately.
7. Consultations, and in particular all information designated as confidential and positions taken by the Parties during consultations, shall be confidential.

## **Article 699. Mutually Agreed Solution**

1. The Parties may at any time reach a mutually agreed solution with respect to any dispute referred to in Article 696.
2. The mutually agreed solution may be adopted by means of a decision of the Specialised Committee on Law Enforcement and Judicial Cooperation or the Partnership Council. Where the mutually agreed solution consists of an agreement on joint interpretations of provisions of this Part by the Parties, that mutually agreed solution shall be adopted by means of a decision of the Partnership Council,
3. Each Party shall take the measures necessary to implement the mutually agreed solution within the agreed time period.

4. No later than the date of expiry of the agreed time period, the implementing Party shall inform the other Party in writing of any measures taken to implement the mutually agreed solution.

## **Article 700. Suspension**

1. Where consultations under Article 698 have not led to a mutually agreed solution within the meaning of Article 699, provided that the complaining Party has not withdrawn its request for consultations in accordance with Article 698(6), and where it considers that the respondent Party is in serious breach of its obligations under the covered provisions referred to in Article 698(2), the complaining Party may suspend the Titles of this Part to which the serious breach pertains, by written notification through diplomatic channels. Such notification shall specify the serious breach of obligations by the responding Party on which the suspension is based.

2. The Titles concerned by the suspension shall provisionally cease to apply on the first day of the third month following the date of the notification referred to in paragraph 1 or any other date mutually agreed by the Parties, unless, no later than two weeks before the expiry of that period, the complaining Party gives written notification to the responding Party, through diplomatic channels, of its withdrawal of the first notification or of a reduction in scope of the suspension. In the latter case, only the Titles referred to in the second notification shall provisionally cease to apply.

3. If the complaining Party notifies the suspension of one or several Titles of this Part pursuant to paragraph 1, the respondent Party may suspend all of the remaining Titles, by written notification through diplomatic channels, with three months' notice.

4. If a notification of suspension is given under this Article, the Specialised Committee on Law Enforcement and Judicial Cooperation shall meet to decide what measures are needed to ensure that any cooperation initiated under this Part and affected by the notification is concluded in an appropriate manner. In any event, with regard to all personal data obtained through cooperation under this Part before the Titles concerned by the suspension provisionally cease to apply, the Parties shall ensure that the level of protection under which the personal data were transferred is maintained after the suspension takes effect.

5. The suspended Titles shall be reinstated on the first day of the month following the date on which the complaining Party has given written notification to the respondent Party, through diplomatic channels, of its intention to reinstate the suspended Titles. The complaining Party shall do so immediately when it considers that the serious breach of the obligations on which the suspension was based has ceased to exist.

6. Upon notification by the complaining Party of its intention to reinstate the suspended Titles in accordance with paragraph 5, the remaining Titles suspended by the respondent Party pursuant to paragraph 3 shall be reinstated at the same time as the Titles suspended by the complaining Party pursuant to paragraph 1.

## **Article 701. Time Periods**

1. All time periods laid down in this Title shall be counted in weeks or months, as the case may be, from the day following the act to which they refer.

2. Any time period referred to in this Title may be modified by mutual agreement of the Parties.

# **Part FOUR. THEMATIC COOPERATION**

## **Title I. HEALTH SECURITY**

### **Article 702. Cooperation on Health Security**

1. For the purpose of this Article, a "serious cross-border threat to health" means a life-threatening or otherwise serious hazard to health of biological, chemical, environmental or unknown origin which spreads or entails a significant risk of spreading across the borders of at least one Member State and the United Kingdom,

2. The Parties shall inform each other of a serious cross-border threat to health affecting the other Party and shall endeavour to do so in a timely manner.

3. Where there is a serious cross-border threat to health, following a written request from the United Kingdom, the Union may grant the United Kingdom ad hoc access to its Early Warning and Response System ("EWRS") in respect of the particular threat to enable the Parties and Member States' competent authorities to exchange relevant information, to assess public



health risks, and to coordinate the measures that could be required to protect public health. The Union shall endeavour to respond to the United Kingdom's written request in a timely manner.

Moreover, the Union may invite the United Kingdom to participate in a committee established within the Union and composed of representatives of Member States for the purposes of supporting the exchange of information and of coordination in relation to the serious cross-border threat to health.

Both arrangements shall be on a temporary basis, and in any event for no longer than the duration that either of the Parties, having consulted the other Party, considers necessary for the relevant serious cross-border threat to health.

4. For the purposes of the information exchange referred to in paragraph 2 and any requests made pursuant to paragraph 3, each Party shall designate a focal point and notify the other Party thereof, The focal points shall also:

(a) endeavour to facilitate understanding between the Parties as to whether or not a threat is a serious cross-border threat to health;

(b) seek mutually agreed solutions to any technical issues arising from implementation of this Title.

5. The United Kingdom shall observe all applicable conditions for the use of the EWRS and the rules of procedure of the committee referred to in paragraph 3, for the period of access granted in respect of a particular serious cross-border threat to health. If following clarificatory exchanges between the Parties:

(a) the Union considers that the United Kingdom has not observed the above-mentioned conditions or rules of procedure, the Union may terminate the access of the United Kingdom to the EWRS or its participation in that committee, as the case may be, in respect of that threat;

(b) the United Kingdom considers that it cannot accept the conditions or rules of procedure, the United Kingdom may withdraw its participation in the EWRS or its participation in that committee, as the case may be, in respect of that threat.

6. Where in their mutual interests the Parties shall cooperate in international forums on the prevention of detection of, preparation for, and response to established and emerging threats to health security.

7. The European Centre for Disease Prevention and Control and the relevant body in the United Kingdom responsible for surveillance, epidemic intelligence and scientific advice on infectious diseases shall cooperate on technical and scientific matters of mutual interest to the Parties and, to that end, may conclude a memorandum of understanding,

## **Title II. CYBER SECURITY**

### **Article 703. Dialogue on Cyber Issues**

The Parties shall endeavour to establish a regular dialogue in order to exchange information about relevant policy developments, including in relation to international security, security of emerging technologies, internet governance, cybersecurity, cyber defence and cybercrime.

### **Article 704. Cooperation on Cyber Issues**

1. Where in their mutual interest, the Parties shall cooperate in the field of cyber issues by sharing best practices and through cooperative practical actions aimed at promoting and protecting an open, free, stable, peaceful and secure cyberspace based on the application of existing international law and norms for responsible State behaviour and regional cyber confidence-building measures.

2. The Parties shall also endeavour to cooperate in relevant international bodies and forums, and endeavour to strengthen global cyber resilience and enhance the ability of third countries to fight cybercrime effectively.

### **Article 705. Cooperation with the Computer Emergency Response Team - European Union**

Subject to prior approval by the Steering Board of the Computer Emergency Response Team - European Union (CERT-EU), CERT-EU and the national UK computer emergency response team shall cooperate on a voluntary, timely and reciprocal basis to exchange information on tools and methods, such as techniques, tactics, procedures and best practices, and on general threats and vulnerabilities.

### **Article 706. Participation In Specific Activities of the Cooperation Group Established**

## **Pursuant to Directive (EU) 2016/1148**

1. With a view to promoting cooperation on cyber security while ensuring the autonomy of the Union decision-making process, the relevant national authorities of the United Kingdom may participate at the invitation, which the United Kingdom may also request, of the Chair of the Cooperation Group in consultation with the Commission, in the following activities of the Cooperation Group:

- (a) exchanging best practices in building capacity to ensure the security of network and information systems;
- (b) exchanging information with regard to exercises relating to the security of network and information systems;
- (c) exchanging information, experiences and best practices on risks and incidents;
- (d) exchanging information and best practices on awareness-raising, education programmes and training; and
- (e) exchanging information and best practices on research and development relating to the security of network and information systems.

2. Any exchange of information, experiences or best practices between the Cooperation Group and the relevant national authorities of the United Kingdom shall be voluntary and, where appropriate, reciprocal.

## **Article 707. Cooperation with the European Union Agency for Cybersecurity (ENISA)**

1. With a view to promoting cooperation on cyber security while ensuring the autonomy of the Union decision-making process, the United Kingdom may participate at the invitation, which the United Kingdom may also request, of the Management Board of the European Union Agency for Cybersecurity (ENISA), in the following activities carried out by ENISA:

- (a) capacity building;
- (b) knowledge and information; and
- (c) awareness raising and education.

2. The conditions for the participation of the United Kingdom in ENISA's activities referred to in paragraph 1, including an appropriate financial contribution, shall be set out in working arrangements adopted by the Management Board of ENISA subject to prior approval by the Commission and agreed with the United Kingdom.

3. The exchange of information, experiences and best practices between ENISA and the United Kingdom shall be voluntary and, where appropriate, reciprocal,

# **Part FIVE. PARTICIPATION IN UNION PROGRAMMES, SOUND FINANCIAL MANAGEMENT AND FINANCIAL PROVISIONS**

## **Article 708. Scope**

1. This Part applies to the participation of the United Kingdom in Union programmes, activities and services thereunder, in which the Parties have agreed that the United Kingdom participates.

2. This Part shall not apply to the participation of the United Kingdom in cohesion programmes under the European territorial cooperation goal or similar programmes having the same objective, which takes place on the basis of the basic acts of one or more Union institutions applicable to those programmes.

The applicable conditions for participation in the programmes referred to in the first subparagraph shall be specified in the applicable basic act and the financing agreement concluded thereunder. The Parties shall agree provisions with similar effect to Chapter 2 concerning the participation of the United Kingdom in those programmes.

## **Article 709. Definitions**

For the purposes of this Part, the following definitions apply:

(a) "basic act" means:

(i) an act of one or more Union institutions establishing a programme or activity, which provides a legal basis for an action and for the implementation of the corresponding expenditure entered in the Union budget or of the budgetary guarantee backed by the Union budget, including any amendment and any relevant acts of a Union institution which supplement or implement that act, except those adopting work programmes, or

(ii) an act of one or more Union institutions establishing an activity financed from the Union budget other than programmes;

(b) "finding agreement" means agreements relating to Union programmes and activities under Protocol I on Programmes and activities in which the United Kingdom participates which implement Union finds, such as grant agreements, contribution agreements, financial framework partnership agreements, financing agreements and guarantee agreements;

(c) "other rules pertaining to the implementation of the Union programme and activity" means rules laid down in the Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council (1) ("Financial Regulation") that apply to the general budget of the Union, and in the work programme or in the calls or other Union award procedures;

Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (OJ EU L 193, 30.7.2018, p. 1).

(d) "Union" means the Union or the European Atomic Energy Community, or both, as the context may require;

(e) "Union award procedure" means a procedure for award of Union finding launched by the Union or by persons or entities entrusted with the implementation of Union finds;

(f) "United Kingdom entity" means any type of entity, whether a natural person, legal person or another type of entity, which may participate in activities of a Union programme or activity in accordance with the basic act and who resides or which is established in the United Kingdom

## **Chapter 1. PARTICIPATION OF THE UNITED KINGDOM IN UNION PROGRAMMES AND ACTIVITIES**

### **Section 1. GENERAL CONDITIONS FOR PARTICIPATION IN UNION PROGRAMMES AND ACTIVITIES**

#### **Article 710. Establishment of the Participation**

1. The United Kingdom shall participate in and contribute to the Union programmes, activities, or in exceptional cases, the part of Union programmes or activities, which are open to its participation, and which shall be listed in a Protocol on Programmes and activities in which the United Kingdom participates ("Protocol I").

2. Protocol I shall be agreed between the Parties, It shall be adopted and may be amended by the Specialised Committee on Participation in Union Programmes.

3. Protocol I shall:

(a) identify the Union programmes, activities, or in exceptional cases, the part of Union programmes or activities, in which the United Kingdom shall participate;

(b) lay down the duration of participation, which shall refer to the period of time during which the United Kingdom and United Kingdom entities may apply for Union finding or may be entrusted with implementation of Union finds;

(c) lay down specific conditions for the participation of the United Kingdom and United Kingdom entities, including specific modalities for the implementation of the financial conditions as identified under Article 714, specific modalities of the correction mechanism as identified under Article 716, and conditions for participation in structures created for the purposes of implementing those Union programmes or activities. These conditions shall comply with this Agreement and the basic acts and acts of one or more Union institutions establishing such structures;

(d) where applicable, lay down the amount of United Kingdom's contribution to a Union programme implemented through a

financial instrument or a budgetary guarantee and, where appropriate, specific modalities referred to in Article 717.

## **Article 711. Compliance with Programme Rules**

1. The United Kingdom shall participate in the Union programmes, activities or parts thereof listed in Protocol I under the terms and conditions established in this Agreement, in the basic acts and other rules pertaining to the implementation of Union programmes and activities.

2. The terms and conditions referred to in paragraph 1 shall include:

(a) the eligibility of the United Kingdom entities and any other eligibility conditions related to the United Kingdom, in particular to the origin, place of activity or nationality,

(b) the terms and conditions applicable to the submission, assessment and selection of applications and to the implementation of the actions by eligible United Kingdom entities.

3. The terms and conditions referred to in point (6) of paragraph 2 shall be equivalent to those applicable to eligible Member States entities, except in duly justified exceptional cases as provided for in the terms and conditions referred to in paragraph 1. Either party may bring to the attention of the Specialised Committee on Participation in Union Programmes the need for a discussion of duly justified exclusions.

## **Article 712. Conditions for Participation**

1. The United Kingdom's participation in a Union programme or activity, or parts thereof as referred to in Article 708 shall be conditional upon the United Kingdom:

(a) making every effort, within the framework of its domestic laws, to facilitate the entry and residence of persons involved in the implementation of these programmes and activities, or parts thereof, including students, researchers, trainees or volunteers;

(b) ensuring, as far as it is under the control of the United Kingdom authorities, that the conditions for the persons referred to in point (a) to access services in the United Kingdom that are directly related to the implementation of the programmes or activities are the same as for United Kingdom nationals, including as regards any fees;

(c) as regards participation involving exchange of or access to classified or sensitive non-classified information, having in place the appropriate agreements in accordance with Article 777.

2. In relation to the United Kingdom's participation in a Union programme or activity, or parts thereof as referred to in Article 708 the Union and its Member States shall:

(a) make every effort, within the framework of Union or the Member States legislation, to facilitate the entry and residence of United Kingdom nationals involved in the implementation of these programmes and activities, or parts thereof, including students, researchers, trainees or volunteers;

(b) ensure, as far as it is under the control of the Union and Member States' authorities, that the conditions for the United Kingdom national referred to in point (a) to access services in the Union that are directly related to the implementation of the programmes or activities are the same as for Union citizens, including as regards any fees.

3. Protocol I may lay down further specific conditions referring to this Article, which are necessary for the participation of the United Kingdom in a Union programme or activity, or parts thereof.

4. This Article is without prejudice to Article 711.

5. This Article and Article 718, are also without prejudice to any arrangements made between the United Kingdom and Ireland concerning the Common Travel Area.

## **Article 713. Participation of the United Kingdom In the Governance of Programmes or Activities**

1. Representatives or experts of the United Kingdom, or experts designated by the United Kingdom shall be allowed to take part, as observers unless it concerns points reserved only for Member States or in relation to a programme or activity in which the United Kingdom is not participating, in the committees, expert groups meetings or other similar meetings where representatives or experts of the Member States, or experts designated by Member States take part, and which assist the

European Commission in the implementation and management of the programmes, the activities or parts thereof, in which the United Kingdom participates in accordance with Article 708 or are established by the European Commission in respect of the implementation of the Union law in relation to these programmes, activities or parts thereof, The representatives or experts of the United Kingdom, or experts designated by the United Kingdom shall not be present at the time of voting, The United Kingdom shall be informed of the result of the vote.

2. Where experts or evaluators are not appointed on the basis of nationality, nationality shall not be a reason to exclude United Kingdom nationals.

3. Subject to the conditions of paragraph 1, participation of the United Kingdom's representatives in the meetings referred to in paragraph 1, or in other meetings related to the implementation of programmes or activities, shall be governed by the same rules and procedures as those applicable to representatives of the Member States, in particular speaking rights, receipt of information and documentation unless it concerns points reserved only for Member States or in relation to a programme or activity in which the United Kingdom is not participating, and the reimbursement of travel and subsistence costs.

4. Protocol I may define further modalities for the participation of experts, as well as the participation of the United Kingdom in governing boards and structures created for the purposes of implementing Union programmes or activities defined in that Protocol

## **Section 2. RULES FOR FINANCING THE PARTICIPATION IN UNION PROGRAMMES AND ACTIVITIES**

### **Article 714. Financial Conditions**

1. Participation of the United Kingdom or United Kingdom entities in Union programmes, activities or parts thereof shall be subject to the United Kingdom contributing financially to the corresponding finding under the Union budget.

2. The financial contribution shall take the form of the sum of:

(a) a participation fee; and

(b) an operational contribution.

3. The financial contribution shall take the form of an annual payment made in one or more instalments.

4. Without prejudice to Article 733, the participation fee shall be 4 % of the annual operational contribution and shall not be subject to retrospective adjustments except in relation to suspension under point (b) of Article 718(7) and termination under point (c) of Article 720(6). As of 2028 the level of the participation fee may be adjusted by the Specialised Committee on Participation in Union Programmes.

5. The operational contribution shall cover operational and support expenditure and be additional both in commitment and payment appropriations to the amounts entered in the Union budget definitively adopted for programmes or activities or exceptionally parts thereof increased, where appropriate, by external assigned revenue that does not result from financial contributions to Union programmes and activities from other donors, as defined in Protocol I.

6. The operational contribution shall be based on a contribution key defined as the ratio of the Gross Domestic Product (GDP) of the United Kingdom at market prices to the GDP of the Union at market prices. The GDPs at market prices to be applied shall be the latest available as of 1 January of the year in which the annual payment is made as provided by the Statistical Office of the European Union (EUROSTAT), as soon as the arrangement referred to in Article 730 applies and according to the rules of this arrangement. Before this arrangement applies, the GDP of the United Kingdom shall be the one established on the basis of data provided by the Organisation for Economic Co-operation and Development (OECD).

7. The operational contribution shall be based on the application of the contribution key to the initial commitment appropriations increased as described in paragraph 5 entered in the Union budget definitively adopted for the applicable year for financing the Union programmes or activities or exceptionally parts thereof in which the United Kingdom participates.

8. The operational contribution of a programme, activity or part thereof for a year N may be adjusted upwards or downwards retrospectively in one or more subsequent years on the basis of the budgetary commitments made on the commitment appropriations of that year, their implementation through legal commitments and their decommitment.

The first adjustment shall be made in year N+1 when the initial contribution shall be adjusted upwards or downwards by the

difference between the initial contribution and an adjusted contribution calculated by applying the contribution key of year N to the sum of

(a) the amount of budgetary commitments made on commitment appropriations authorised in year N under the European Union adopted budget and on commitment appropriations corresponding to decommitments made available again; and

(b) any external assigned revenue appropriations that do not result from financial contributions to Union programmes and activities from other donors as defined in Protocol I and that were available at the end of year N.

Each subsequent year, until all the budgetary commitments financed under commitment appropriations originating from year N have been paid or decommitted and at the latest three years after the end of the programme or after the end of the multiannual financial framework corresponding to year N, whichever is earlier, the Union shall calculate an adjustment of the contribution of year N by reducing the United Kingdom contribution by the amount obtained by applying the contribution key of year N to the decommitments made each year on commitments of year N financed under the Union budget or from decommitments made available again.

If external assigned revenue appropriations that do not result from financial contributions to Union programmes and activities from other donors as defined in Protocol I are cancelled, the contribution of the United Kingdom shall be reduced by the amount obtained by applying the contribution key of year N to the amount cancelled.

In year N+2 or in subsequent years, after having made the adjustments referred to in the second, third and fourth subparagraphs, the contribution of the United Kingdom for year N shall also be reduced by an amount obtained by multiplying the contribution of the United Kingdom for year N and the ratio of

(a) the legal commitments of year N, funded under any commitment appropriations available in year N, and resulting from competitive award procedures,

(i) from which the United Kingdom and the United Kingdom entities have been excluded; or

(ii) for which the Specialised Committee on Participation in Union Programmes has decided, in accordance with the procedure established in Article 715 that there has been a quasi-exclusion of United Kingdom or United Kingdom entities; or

(iii) for which the deadline for submission of applications has expired during the suspension referred to in Article 718 or after termination referred to in Article 720 has taken effect; or

(iv) for which the participation of the United Kingdom and United Kingdom entities has been limited in accordance with Article 722(3); and

(b) the total amount of legal commitments funded under any commitment appropriations of year N.

This amount of legal commitments shall be calculated by taking all budgetary commitments made in year N and deducting the decommitments that have been made on these commitments in year N+1.

9. Upon request, the Union shall provide the United Kingdom with information in relation to its financial participation as included in the budgetary, accounting, performance and evaluation related information provided to the Union budgetary and discharge authorities concerning the Union programmes and activities in which the United Kingdom participates. That information shall be provided having due regard to the Union's and United Kingdom's confidentiality and data protection rules and is without prejudice to the information which the United Kingdom is entitled to receive under Chapter 2.

10. All contributions of the United Kingdom or payments from the Union, and the calculation of amounts due or to be received, shall be made in euros.

11. Subject to paragraph 5 and the second subparagraph of paragraph 8 of this Article, the detailed provisions for the implementation of this Article are set out in Annex 47. Annex 47 may be amended by the Specialised Committee on Participation in Union Programmes.

## **Article 715. Quasi Exclusion from Competitive Grant Award Procedure**

1. When the United Kingdom considers that certain conditions laid down in a competitive grant award procedure amount to a quasi-exclusion of United Kingdom entities, the United Kingdom shall notify the Specialised Committee on Participation in Union Programmes before the deadline for submission of applications in the procedure concerned and shall provide justification.

2. Within three months of the deadline for submission of applications in the award procedure concerned, the Specialised

Committee on Participation in Union Programmes shall examine the notification referred to in the paragraph 1 provided that the participation rate of United Kingdom entities in the award procedure concerned is at least 25 % lower compared to:

(a) the average participation rate of United Kingdom entities in similar competitive award procedures not containing such a condition and launched within the three years preceding the notification; or,

(b) in the absence of similar competitive award procedures, the average participation rate of United Kingdom entities in all competitive award procedures launched under the programme, or the preceding programme, as relevant, within the 3 years preceding the notification.

3. The Specialised Committee on Participation in Union Programmes shall by the end of the period referred to in paragraph 2, decide whether there has been a quasi-exclusion of the United Kingdom entities from the award procedure concerned in light of the justification provided by the United Kingdom pursuant to paragraph 1 and the effective participation rate in the award procedure concerned.

4. For the purposes of paragraphs 2 and 3, the participation rate shall be the ratio of the number of applications submitted by United Kingdom entities to the total number of applications submitted within the same award procedure.

## **Article 716. Programmes to Which an Automatic Correction Mechanism Applies**

1. An automatic correction mechanism shall apply in relation to those Union programmes, activities or parts thereof for which the application of an automatic correction mechanism is provided in Protocol I. The application of that automatic correction mechanism may be limited to parts of the programme or activity specified in Protocol J, which are implemented through grants for which competitive calls are organised. Detailed rules on the identification of the parts of the programme or activity to which the automatic correction mechanism does or does not apply may be established in Protocol I.

2. The amount of the automatic correction for a programme or activity or parts thereof shall be the difference between the initial amounts of the legal commitments actually entered into with the United Kingdom or United Kingdom entities financed from commitment appropriations of the year in question and the corresponding operational contribution paid by the United Kingdom as adjusted pursuant to Article 714(8), excluding support expenditure, covering the same period if that amount is positive.

3. Any amount referred to in paragraph 2 of this Article, which for each of two consecutive years exceeds 8 % of the corresponding contribution of the United Kingdom to the programme as adjusted pursuant to Article 714(8) shall be due by the United Kingdom as an additional contribution under the automatic correction mechanism for each of those two years,

4. Detailed rules on the establishment of the relevant amounts of the legal commitments referred to in paragraph 2 of this Article, including in the case of consortia, and on the calculation of the automatic correction may be laid down in Protocol 1

## **Article 717. Financing In Relation to Programmes Implemented Through Financial Instruments or Budgetary Guarantees**

1. Where the United Kingdom participates in a Union programme, activity, or parts thereof that is implemented through a financial instrument or budgetary guarantee, the contribution of the United Kingdom to programmes implemented through financial instruments or budgetary guarantees under the Union budget implemented under Title X of the Financial Regulation applicable to the general budget of the Union shall be made in the form of cash. The amount contributed in cash shall increase the Union budgetary guarantee or the financial envelope of the financial instrument.

2. Where the United Kingdom participates in a programme referred to in paragraph 1 of this Article that is implemented by the European Investment Bank Group, if the European Investment Bank Group needs to cover losses that are not covered by the guarantee provided by the Union budget, the United Kingdom shall pay to the European Investment Bank Group a percentage of those losses equal to the ratio of the Gross Domestic Product at market prices of the United Kingdom to the sum of the Gross Domestic Product at market prices of the Member States, the United Kingdom and any other third country participating in that programme. The Gross Domestic Product at market prices to be applied shall be the latest available as of 1 January of the year in which the payment is due as provided by EUROSTAT, as soon as the arrangement referred to in Article 730 applies and according to the rules of this arrangement. Before this arrangement applies, the GDP of the United Kingdom shall be the one established on the basis of data provided by the OECD.

3. Where appropriate, modalities for the implementation of this Article, in particular ensuring that the United Kingdom receives its share of unused contributions to budgetary guarantees and financial instruments, shall be specified further in Protocol I.

## **Section 3. SUSPENSION AND TERMINATION OF THE PARTICIPATION IN UNION PROGRAMMES**

### **Article 718. Suspension of the Participation of the United Kingdom In a Union Programme by the Union**

1, The Union may unilaterally suspend the application of Protocol J, in relation to one or more Union programmes, activities, or exceptionally parts thereof in accordance with this Article, if the United Kingdom does not pay its financial contribution in accordance with Section 2 of this Chapter or if the United Kingdom introduces significant changes to one of the following conditions that existed when the United Kingdom participated in a programme, an activity or exceptionally part thereof was agreed and included in Protocol I, and if such changes have a significant impact on their implementation:

(a) the conditions for entry and residence in the United Kingdom of the persons that are involved in the implementation of these programmes and activities, or parts thereof, including students, researchers, trainees or volunteers are changed. This shall apply, in particular, if the United Kingdom introduces a change in its domestic laws for the conditions for entry and residence in the United Kingdom for these persons, which discriminates between Member States;

(b) there is a change in financial charges, including fees, that apply to persons referred to in point (a) in order to perform the activities that they have to perform in order to implement the programme;

(c) the conditions referred to in Article 712(3) are changed.

2. The Union shall notify the Specialised Committee on Participation in Union Programmes of its intention to suspend the participation of the United Kingdom in the programme or activity concerned. The Union shall identify the scope of the suspension and provide due justification. Unless the Union withdraws its notification, the suspension shall take effect 45 days following the date of notification by the Union. The date on which the suspension takes effect shall constitute the suspension reference date for the purposes of this Article.

Prior to notification and suspension, and during the suspension period, the Specialised Committee on Participation in Union Programmes may discuss appropriate measures for avoiding or lifting the suspension. In case the Specialised Committee on Participation in Union Programmes finds an agreement for avoiding the suspension within the period referred to in the first subparagraph, the suspension shall not take effect.

In any case, the Specialised Committee on Participation in Union Programmes shall meet during the period of 45 days to discuss the matter.

3. As of the suspension reference date the United Kingdom shall not be treated as a country participating in the Union programme, activity, or part thereof concerned by the suspension and in particular, the United Kingdom or United Kingdom entities shall no longer be eligible under the conditions laid down in Article 711 and Protocol I, with regard to Union award procedures which have not been completed yet on that date. An award procedure shall be considered completed when legal commitments have been entered into as a result of that procedure.

4. The suspension shall not affect legal commitments entered into before the suspension reference date. This Agreement shall continue to apply to such legal commitments.

5. The United Kingdom shall notify the Union as soon as it considers that compliance with the conditions for participation has been restored, and shall provide the Union with any relevant evidence to that effect.

Within 30 days from that notification the Union shall assess the matter and may, for that purpose, request the United Kingdom to present additional evidence. The time needed to provide such additional evidence shall not be taken into account in the overall period for assessment.

Where the Union has found that compliance with the conditions for participation is restored, it shall notify without undue delay the Specialised Committee on Participation in Union Programmes that the suspension is lifted. The lifting shall take effect on the day following the date of notification.

Where the Union has found that compliance with the conditions for participation is not restored, the suspension shall remain in force.

6. The United Kingdom shall be treated again as a country participating in the Union programme or activity concerned, and in particular United Kingdom and United Kingdom entities shall be again eligible under the conditions laid down in Article 711 and Protocol J, with regard to Union award procedures under that Union programme or activity which were launched



after the date on which the lifting of the suspension takes effect, or which were launched before that date, and for which the deadline for the submission of applications has not expired.

7. In case of the United Kingdom participation in a programme, activity, or part thereof being suspended, the financial contribution of the United Kingdom that is due during the period of suspension shall be established as follows:

(a) the Union shall recalculate the operational contribution using the procedure described in point (a)Gii) of the fifth subparagraph of Article 714(8);

(b) the participation fee shall be adjusted in line with the adjustment of the operational contribution.

## **Article 719. Termination of the Participation of the United Kingdom In a Union Programme by the Union**

1. If by one year after the reference date referred to in Article 718(2) the Union has not lifted the suspension under Article 718, the Union shall either:

(a) reassess the conditions under which it may offer to allow the United Kingdom to continue participating in the Union programmes, activities or parts thereof concerned and shall propose those conditions to the Specialised Committee on Participation in Union Programmes within 45 days from expiry of the one year suspension period with a view to modifying Protocol I. In the absence of an agreement on those measures by the Specialised Committee within a further period of 45 days, termination shall take effect as referred to in point (b) of this paragraph; or

(b) terminate unilaterally the application of Protocol I, in relation to the Union programmes, activities or parts thereof concerned, in accordance with this Article, taking into account the impact of the change referred to in Article 718 on the implementation of the programme or activity or exceptionally parts thereof, or the amount of the unpaid contribution.

2. The Union shall notify the Specialised Committee on Participation in Union Programmes of its intention to terminate the participation of the United Kingdom in one or more Union programmes or activities pursuant to point (b) of paragraph 1. The Union shall identify the scope of the termination and provide due justification. Unless the Union withdraws its notification, the termination shall take effect 45 days following the date of notification by the Union. The date on which the termination takes effect shall constitute the termination reference date for the purposes of this Article.

3. As of the termination reference date the United Kingdom shall not be treated as a country participating in the Union programme or activity concerned by the termination, and in particular the United Kingdom or United Kingdom entities shall no longer be eligible under the conditions laid down in Article 711 and in Protocol I, with regard to Union award procedures which have not been completed yet as of that date. An award procedure shall be considered to have been completed if legal commitments have been entered into as a result of that procedure.

4. The termination shall not affect legal commitments entered into before the suspension reference date referred to in Article 718(2). This Agreement shall continue to apply to such legal commitments.

5. Where the application of Protocol J, or apart thereof, is terminated in respect of the programmes or activities or exceptionally parts thereof concerned:

(a) the operational contribution covering support expenditure related to legal commitments already entered into shall continue to be due until the completion of those legal commitments or the end of the multiannual financial framework under which the legal commitment has been financed;

(b) no contribution except the one referred to in point (a) shall be made in the following years.

## **Article 720. Termination of the Participation In a Programme or Activity In the Case of Substantial Modification to Union Programmes**

1. The United Kingdom may unilaterally terminate its participation in a Union programme or activity or part thereof referred to in Protocol I where:

(a) the basic act of that Union programme or activity is amended to an extent that the conditions for participation of the United Kingdom or of United Kingdom entities in that Union programme or activity have been substantially modified, in particular, as a result of a change of the objectives of the programme or activity and of the corresponding actions; or

(b) the total amount of commitment appropriations as referred to in Article 714 is increased by more than 15 % compared with the initial financial envelope of that programme or activity or part thereof in which the United Kingdom participates and

either the corresponding ceiling of the multiannual financial framework has been increased or the amount of external revenue referred to in Article 714(5) for the whole period of participation has been increased; or

(c) the United Kingdom or United Kingdom entities are excluded from participation in part of a programme or activity on duly justified grounds, and that exclusion concerns commitment appropriations exceeding 10 % of the commitment appropriations in the Union budget definitively adopted for a year N for that programme or activity.

2. To this effect, the United Kingdom shall notify its intention to terminate Protocol I in relation to the Union programme or activity concerned, to the Specialised Committee on Participation in Union Programmes at the latest 60 days after the publication of the amendment or of the adopted annual budget or an amendment to it in the Official Journal of the European Union. The United Kingdom shall explain the reasons for which the United Kingdom considers the amendment to substantially alter the conditions of participation. The Specialised Committee on Participation in Union Programmes shall meet within 45 days of receiving the notification to discuss the matter.

3. Unless the United Kingdom withdraws its notification, the termination shall take effect 45 days following the date of notification by the United Kingdom. The date on which the termination takes effect shall constitute the reference date for the purposes of this Article.

4. As of the reference date the United Kingdom shall not be treated as a country participating in the Union programme or activity concerned by the termination, and in particular the United Kingdom or United Kingdom entities shall no longer be eligible under the conditions laid down in Article 711 and in Protocol I, with regard to Union award procedures which have not been completed yet as of that date. An award procedure shall be considered to have been completed if legal commitments have been entered into as a result of that procedure.

5. The termination shall not affect legal commitments entered into before the reference date. This Agreement shall continue to apply to such legal commitments.

6. In case of termination under this Article in respect of the programmes or activities concerned:

(a) the operational contribution covering support expenditure related to legal commitments already entered into shall continue to be due until the completion of those legal commitments or the end of the multiannual financial framework under which the legal commitment has been financed;

(b) the Union shall recalculate the operational contribution of the year where termination occurs using the procedure described in point (a)(ii) of the fifth subparagraph of Article 714(8). No contribution except the one referred to in point (a) of this Article shall be made in the following years;

(c) the participation fee shall be adjusted in line with the adjustment of the operational contribution.

## **Section 4. REVIEW OF PERFORMANCE AND FINANCIAL INCREASES**

### **Article 721. Performance Review**

1. A performance review procedure shall apply in accordance with the conditions laid down in this Article in relation to parts of the Union programme or activity to which the correction mechanism referred to in Article 716 applies.

2. The United Kingdom may request the Specialised Committee on Participation in Union Programmes to start the performance review procedure where the amount calculated in accordance with the method laid down in Article 716(2) is negative, and where that amount is higher than 12 % of the corresponding contributions of the United Kingdom to the programme or activity as adjusted pursuant to Article 714(8).

3. The Specialised Committee on Participation in Union Programmes, within a period of three months from the date of the request referred to in paragraph 2, shall analyse the relevant performance-related data and adopt a report proposing appropriate measures to address performance-related issues.

The measures referred to in the first subparagraph shall be applied for a period of twelve months after the adoption of the report. Following the application of the measures, performance data over the period in question shall be used to calculate the difference between the initial amounts due under the legal commitments actually entered into with the United Kingdom or United Kingdom entities during that calendar year and the corresponding operational contribution paid by the United Kingdom for the same year.

If the difference referred to in the second subparagraph is negative and exceeds 16 % of the corresponding operational contribution, the United Kingdom may:

(a) notify its intention to terminate its participation in the Union programme or part of a programme concerned by giving notice 45 days before the intended day of termination, and may terminate its participation in accordance with Article 720(3) to (6); or

(b) request the Specialised Committee on Participation in Union Programmes to adopt further measures to address underperformance, including by making adaptations to the participation of the United Kingdom in the Union programme concerned and adjusting future financial contributions of the United Kingdom in respect of that programme.

## **Article 722. Financial Increases Review**

1. The United Kingdom may notify the Specialised Committee on Participation in Union Programmes that it objects to the amount of its contribution to a Union programme or activity if the total amount of commitment appropriations as referred to in Article 714 is increased by more than 5 % compared with the initial financial envelope for that Union programme or activity and either the corresponding ceiling has been increased or the amount of external revenue referred to in Article 714(5) for the whole period of participation has been increased.

2. The notification referred to in paragraph 1 of this Article shall be made within 60 days as of the publication date of the adopted annual budget or an amendment to it in the Official Journal of the European Union. The notification shall be without prejudice to the obligation of the United Kingdom to pay its contribution and to the application of the adjustment mechanism referred to in Article 714(8).

3. The Specialised Committee on Participation in Union Programmes shall prepare a report, propose and decide on the adoption of appropriate measures within three months from the date of the notification referred to in paragraph 2 of this Article. Those measures may include limiting the participation of the United Kingdom and United Kingdom entities to certain types of actions or award procedures or, where appropriate, a modification of Protocol I. The limitation of the United Kingdom's participation will be treated as an exclusion for the purposes of the adjustment mechanism referred to in Article 714(8).

4. Where the conditions referred to in point (b) of Article 720(1) are fulfilled, the United Kingdom may terminate its participation in a Union programme or activity referred to in Protocol I in accordance with Article 720(2) to (6).

## **Chapter 2. SOUND FINANCIAL MANAGEMENT**

### **Article 723. Scope**

This Chapter shall apply in relation to the Union programmes, activities and services under Union programmes referred to in Protocol I and Protocol II on access of the United Kingdom to services established under certain Union programmes and activities in which the United Kingdom does not participate (Protocol II).

## **Section 1. PROTECTION OF FINANCIAL INTERESTS AND RECOVERY**

### **Article 724. Conduct of Activity for the Purposes of Sound Financial Management**

For the purposes of the application of this Chapter, the authorities of the United Kingdom and of the Union referred to in this Chapter shall cooperate closely in accordance with their respective laws and regulations.

When exercising their duties in the territory of the United Kingdom, the agents and investigative bodies of the Union shall act in a manner consistent with United Kingdom law.

### **Article 725. Reviews and Audits**

1. The Union shall have the right to conduct as provided in relevant finding agreements or contracts and in accordance with the applicable acts of one or more Union institutions, technical, scientific, financial, or other types of reviews and audits on the premises of any natural person residing in or legal entity established in the United Kingdom and receiving Union funding, as well as any third party involved in the implementation of Union funding residing or established in the United Kingdom. Such reviews and audits may be carried out by the agents of the institutions and bodies of the Union, in particular of the European Commission and the European Court of Auditors, or by other persons mandated by the European Commission in accordance with Union law.

2. The agents of the institutions and bodies of the Union, in particular the agents of the European Commission and the

European Court of Auditors, as well as other persons mandated by the European Commission, shall have appropriate access to sites, works and documents (in electronic versions, paper versions, or both) and to all the information required in order to carry out such reviews and audits, as referred to in paragraph 1. Such access shall include the right to obtain physical or electronic copies of, and extracts from, any document or the contents of any data medium held by audited natural or legal persons, or by the audited third party.

3. The United Kingdom shall not prevent or raise any obstacle to the right of the agents and other persons referred to in paragraph 2 to enter the United Kingdom and to access the premises of the audited persons, in the exercise of their duties referred to in this Article.

4. Notwithstanding the suspension or termination of the United Kingdom's participation in a programme or activity, the suspension of part or all of the provisions of this Part and/or Protocol I or the termination of this Agreement, the reviews and audits may be carried out also after the date on which the relevant suspension or termination takes effect, on the terms laid down in the applicable acts of one or more Union institutions and as provided in the relevant finding agreements or contracts in relation to any legal commitment implementing the Union budget entered into by the Union before the date on which the relevant suspension or termination takes effect.

## **Article 726. Fight Against Irregularities, Fraud and other Criminal Offences Affecting the Financial Interests of the Union**

1. The European Commission and the European Anti-Fraud Office (OLAF) shall be authorised to carry out administrative investigations, including on-the-spot checks and inspections, in the territory of the United Kingdom. The European Commission and OLAF shall act in accordance with the Union acts governing those checks, inspections and investigations,

2. The competent United Kingdom authorities shall inform the European Commission or OLAF within a reasonable period of any fact or suspicion which has come to their notice relating to an irregularity, fraud or other illegal activity affecting the financial interests of the Union.

3. On-the-spot checks and inspections may be carried out on the premises of any natural person residing in or legal entity established in the United Kingdom and that receives Union funding under a funding agreement or a contract, as well as on the premises of any third party involved in the implementation of such Union funding residing or established in the United Kingdom. Such checks and inspections shall be prepared and conducted by the European Commission or OLAF in close collaboration with the competent United Kingdom authority designated by the United Kingdom. The designated authority shall be notified within a reasonable period before the checks and inspections of the object, purpose and legal basis of those checks and inspections, to enable it to provide assistance. To that end, the officials of the competent United Kingdom authorities may participate in the on-the-spot checks and inspections,

4. The agents of the European Commission and OLAF shall have access to all the information and documentation (in electronic versions, paper versions, or both) relating to the operations referred to in paragraph 3, which are required for the proper conduct of the on-the-spot checks and inspections. In particular, the agents of the European Commission and OLAF may copy relevant documents.

5. The European Commission or OLAF and the competent United Kingdom authorities shall decide on a case-by-case basis whether to conduct on-the-spot checks and inspections jointly, including where both parties are competent to conduct investigations.

6. Where the person, entity or another third party who is subject to an on-the-spot check or inspection resists an on-the-spot check or inspection, the United Kingdom authorities, acting in accordance with national rules and regulations, shall assist the European Commission or OLAF, to enable them to fulfil their duties in carrying out the on-the-spot check or inspection. Such assistance shall include taking the appropriate precautionary measures under national law, including measures to safeguard evidence.

7. The European Commission or OLAF shall inform the competent United Kingdom authorities of the result of such checks and inspections. In particular the European Commission or OLAF shall report as soon as possible to the competent United Kingdom authority any fact or suspicion relating to an irregularity which has come to their notice in the course of the on-the-spot check or inspection.

8. Without prejudice to application of United Kingdom law, the European Commission may impose administrative measures and penalties on legal or natural persons participating in the implementation of a programme or activity in accordance with Union legislation.

9. For the purposes of the proper implementation of this Article, the European Commission or OLAF and the United

Kingdom competent authorities shall regularly exchange information and, at the request of one of the parties to this Agreement, consult each other, unless prohibited under Union legislation or under United Kingdom law.

10. In order to facilitate effective cooperation and the exchange of information with OLAF the United Kingdom shall designate a contact point.

11. The exchange of information between the European Commission or OLAF and the United Kingdom competent authorities shall comply with applicable confidentiality requirements. Personal data included in the exchange of information shall be protected in accordance with applicable rules.

12. Without prejudice to the applicability of Article 634, where any United Kingdom national, or natural persons residing in the United Kingdom, or legal entities established in the United Kingdom receive Union funding under Union programmes and activities listed in Protocol I, directly or indirectly, including in connection with any third party involved in the implementation of such Union funding, the United Kingdom authorities shall cooperate with the Union authorities or authorities of the Member States of the Union responsible for investigating, prosecuting and bringing to judgement the perpetrators of, and accomplices to, criminal offences affecting the financial interests of the Union in relation to such funding, in accordance with the applicable legislation and international instruments, to allow them to fulfil their duties.

## **Article 727. Amendments to Articles 708, 723, 725 and 726**

The Specialised Committee on Participation in Union Programmes may amend Articles 725 and 726, in particular to take account of changes of acts of one or more Union institutions.

The Specialised Committee on Participation in Union Programmes may amend Article 708 and Article 723 to extend the application of this Chapter to other Union programmes, activities and services.

## **Article 728. Recovery and Enforcement**

1. Decisions adopted by the European Commission imposing a pecuniary obligation on legal or natural persons other than States in relation to any claims stemming from Union programmes, activities, actions or projects shall be enforceable in the United Kingdom. The order for its enforcement shall be appended to the decision, without any other formality than a verification of the authenticity of the decision by the national authority designated for this purpose by the United Kingdom. The United Kingdom shall make known its designated national authority to the Commission and the Court of Justice of the European Union. In accordance with Article 729, the European Commission shall be entitled to notify such enforceable decisions directly to persons residing and legal entities established in the United Kingdom. The enforcement of those decisions shall take place in accordance with United Kingdom law.

2. Judgments and orders of the Court of Justice of the European Union delivered in application of an arbitration clause contained in a contract or agreement in relation to Union programmes, activities or parts thereof under Protocol I shall be enforceable in the United Kingdom in the same manner as European Commission decisions, as referred to in paragraph 1 of this Article.

3. The Court of Justice of the European Union shall have jurisdiction to review the legality of the decisions of the Commission referred to in paragraph 1 and to suspend the enforcement of such decisions. However, the Courts of the United Kingdom shall have jurisdiction over complaints alleging that enforcement is being carried out in an irregular manner.

## **Section 2. OTHER RULES FOR THE IMPLEMENTATION OF UNION PROGRAMMES**

### **Article 729. Communication and Exchange of Information**

The Union institutions and bodies involved in the implementation of Union programmes or activities, or in control of such programmes or activities, shall be entitled to communicate directly, including through electronic exchange systems, with any natural person residing in the United Kingdom or legal entity established in the United Kingdom receiving Union funding, as well as with any third party involved in the implementation of Union funding that resides or is established in the United Kingdom. Such persons, entities and third parties may submit directly to the Union institutions and bodies all relevant information and documentation which they are required to submit on the basis of the Union legislation applicable to the Union programme or activity or on the basis of the contracts or funding agreements concluded to implement that programme or activity.

## **Article 730. Statistical Cooperation**

EUROSTAT and the United Kingdom Statistics Authority may establish an arrangement that enables cooperation on relevant statistical matters and includes that EUROSTAT, with the agreement of the United Kingdom Statistics Authority, provides statistical data on the United Kingdom for the purposes of this Part, including, in particular, data on the GDP of the United Kingdom.

## **Chapter 3. ACCESS OF THE UNITED KINGDOM TO SERVICES UNDER UNION PROGRAMMES**

### **Article 731. Rules on Service Access**

1. Where the United Kingdom does not participate in a Union programme or activity in accordance with Chapter 1, it may nevertheless have access to services provided under Union programmes and activities under the terms and conditions established in this Agreement, the basic acts and any other rules pertaining to the implementation of Union programmes and activities.

2. Protocol II shall, where appropriate:

(a) identify the services under Union programmes and activities, to which the United Kingdom and United Kingdom entities shall have access;

(b) lay down specific conditions for the access by the United Kingdom and United Kingdom entities. Those conditions shall comply with the conditions laid down in this Agreement and in the basic acts;

(c) where applicable, specify the United Kingdom's financial or in-kind contribution with respect to a service provided under such Union programmes and activities.

3. Protocol II shall be adopted and may be amended by the Specialised Committee on Participation in Union Programmes,

4. The United Kingdom and public and private spacecraft owners and operators operating in or from the United Kingdom shall have access to the services provided under Article 5(1) of Decision No 541/2014/EU of the European Parliament and of the Council (1) in accordance with Article 5(2) of that Decision until provisions on similar access are included in Protocol II or until 31 December 2021.

(1) Decision No 541/2014/EU of the European Parliament and of the Council of 16 April 2014 establishing a Framework for Space Surveillance and Tracking Support (OJ EU L 158, 27.5.2014, p. 227).

## **Chapter 4. REVIEWS**

### **Article 732. Review Clause**

Four years after Protocols I and II become applicable, the Specialised Committee on Participation in Union Programmes shall review the implementation thereof on the basis of the data concerning the participation of United Kingdom entities in indirect and direct actions under the programme, parts of the programme, activities and services covered under Protocols I and II.

Following a request by either Party, the Specialised Committee on Participation in Union Programmes shall discuss changes or proposed changes affecting the terms of the United Kingdom participation in any of the programmes or parts of programmes, activities and services listed in Protocols I and II, and, if necessary, may propose appropriate measures within the scope of this Agreement,

## **Chapter 5. PARTICIPATION FEE IN THE YEARS 2021 TO 2026**

### **Article 733. Participation Fee In the Years 2021 to 2026**

The participation fee referred to in Article 714(4) shall have the following value in the years 2021 to 2026:

— in 2021: 0,5 %;

- in 2022: 1 %;
- in 2023: 1,5 %;
- in 2024: 2 %;
- in 2025: 2,5 %;
- in 2026: 3 %.

## **Part SIX. DISPUTE SETTLEMENT AND HORIZONTAL PROVISIONS**

### **Title I. DISPUTE SETTLEMENT**

#### **Chapter 1. GENERAL PROVISIONS**

##### **Article 734. Objective**

The objective of this Title is to establish an effective and efficient mechanism for avoiding and settling disputes between the Parties concerning the interpretation and application of this Agreement and supplementing agreements with a view to reaching, where possible, a mutually agreed solution.

##### **Article 735. Scope**

1. This Title applies, subject to paragraphs 2, 3, 4 and 5, to disputes between the Parties concerning the interpretation and application of the provisions of this Agreement or of any supplementing agreement ("covered provisions").
2. The covered provisions shall include all provisions of this Agreement and of any supplementing agreement with the exception of:
  - (a) Article 32(1) to (6) and Article 36;
  - (b) Annex 12;
  - (c) Title VII of Heading one of Part Two;
  - (d) Title X of Heading One of Part Two;
  - (e) Article 355(1), (2) and (4), Article 356(1) and (3), Chapter 2 of Title XI of Heading One of Part Two, Articles 371 and 372, Chapter 5 of Title XI of Heading One of Part Two, and Article 411(4) to (9);
  - (f) Part Three, including when applying in relation to situations governed by other provisions of this Agreement;
  - (g) Part Four;
  - (h) Title II of Part Six;
  - (i) Article 782; and
  - (j) the Agreement on security procedures for exchanging and protecting classified information.
3. The Partnership Council may be seized by a Party with a view to resolving a dispute with respect to obligations arising from the provisions referred to in paragraph 2.
4. Article 736 applies to the provisions referred to in paragraph 2 of this Article.
5. Notwithstanding paragraphs 1 and 2, this Title shall not apply with respect to disputes concerning the interpretation and application of the provisions of the Protocol on Social Security Coordination or its annexes in individual cases.

##### **Article 736. Exclusivity**

The Parties undertake not to submit a dispute between them regarding the interpretation or application of provisions of this Agreement or of any supplementing agreement to a mechanism of settlement other than those provided for in this

Agreement.

## **Article 737. Choice of Forum In Case of a Substantially Equivalent Obligation Under Another International Agreement**

1. If a dispute arises regarding a measure allegedly in breach of an obligation under this Agreement or any supplementing agreement and of a substantially equivalent obligation under another international agreement to which both Parties are party, including the WTO Agreement, the Party seeking redress shall select the forum in which to settle the dispute.

2. Once a Party has selected the forum and initiated dispute settlement procedures either under this Title or under another international agreement, that Party shall not initiate such procedures under the other international agreement with respect to the particular measure referred to in paragraph 1, unless the forum selected first fails to make findings for procedural or jurisdictional reasons.

3. For the purposes of this Article:

(a) dispute settlement procedures under this Title are deemed to be initiated by a Party's request for the establishment of an arbitration tribunal under Article 739;

(b) dispute settlement procedures under the WTO Agreement are deemed to be initiated by a Party's request for the establishment of a panel under Article 6 of the Understanding on Rules and Procedure Governing the Settlement of Disputes of the WTO; and

(c) dispute settlement procedures under any other agreement are deemed to be initiated if they are initiated in accordance with the relevant provisions of that agreement.

4. Without prejudice to paragraph 2, nothing in this Agreement or any supplementing agreement shall preclude a Party from suspending obligations authorised by the Dispute Settlement Body of the WTO or authorised under the dispute settlement procedures of another international agreement to which the Parties are party. The WTO Agreement or any other international agreement between the Parties shall not be invoked to preclude a Party from suspending obligations under this Title.

## **Chapter 2. PROCEDURE**

### **Article 738. Consultations**

1. If a Party (the "complaining Party") considers that the other Party (the "respondent Party") has breached an obligation under this Agreement or under any supplementing agreement, the Parties shall endeavour to resolve the matter by entering into consultations in good faith, with the aim of reaching a mutually agreed solution.

2. The complaining Party may seek consultations by means of a written request delivered to the respondent Party. The complaining Party shall specify in its written request the reasons for the request, including the identification of the measures at issue and the legal basis for the request, and the covered provisions it considers applicable.

3. The respondent Party shall reply to the request promptly, and in any case no later than 10 days after the date of its delivery. Consultations shall be held within 30 days of the date of delivery of the request in person or by any other means of communication agreed by the Parties. If held in person, consultations shall take place in the territory of the respondent Party, unless the Parties agree otherwise.

4. The consultations shall be deemed concluded within 30 days of the date of delivery of the request, unless the Parties agree to continue consultations.

5. Consultations on matters of urgency, including those regarding perishable goods or seasonal goods or services, shall be held within 20 days of the date of delivery of the request. The consultations shall be deemed concluded within those 20 days unless the Parties agree to continue consultations.

6. Each Party shall provide sufficient factual information to allow a complete examination of the measure at issue, including an examination of how that measure could affect the application of this Agreement or any supplementing agreement. Each Party shall endeavour to ensure the participation of personnel of their competent authorities who have expertise in the matter subject to the consultations.

7. For any dispute concerning an area other than Titles I to VII, Chapter 4 of Title VIII, Titles IX to XII of Heading One or Heading Six of Part Two, at the request of the complaining Party, the consultations referred to in paragraph 3 of this Article



shall be held in the framework of a Specialised Committee or of the Partnership Council. The Specialised Committee may at any time decide to refer the matter to the Partnership Council, The Partnership Council may also seize itself of the matter. The Specialised Committee, or, as the case may be, the Partnership Council, may resolve the dispute by a decision. The time periods referred to in paragraph 3 of this Article shall apply. The venue of meetings shall be governed by the rules of procedure of the Specialised Committee or, as the case may be, the Partnership Council.

8. Consultations, and in particular all information designated as confidential and positions taken by the Parties during consultations, shall be confidential, and shall be without prejudice to the rights of either Party in any further proceedings.

## **Article 739. Arbitration Procedure**

1. The complaining Party may request the establishment of an arbitration tribunal if

(a) the respondent Party does not respond to the request for consultations within 10 days of the date of its delivery;

(b) consultations are not held within the time periods referred to in Article 738(3), (4) or (5);

(c) the Parties agree not to have consultations; or

(d) consultations have been concluded without a mutually agreed solution having been reached.

2. The request for the establishment of the arbitration tribunal shall be made by means of a written request delivered to the respondent Party. In its request, the complaining Party shall explicitly identify the measure at issue and explain how that measure constitutes a breach of the covered provisions in a manner sufficient to present the legal basis for the complaint clearly.

## **Article 740. Establishment of an Arbitration Tribunal**

1. An arbitration tribunal shall be composed of three arbitrators.

2. No later than 10 days after the date of delivery of the request for the establishment of an arbitration tribunal, the Parties shall consult with a view to agreeing on the composition of the arbitration tribunal,

3. If the Parties do not agree on the composition of the arbitration tribunal within the time period provided for in paragraph 2 of this Article, each Party shall appoint an arbitrator from the sub-list for that Party established pursuant to Article 752 no later than five days after the expiry of the time period provided for in paragraph 2 of this Article. If a Party fails to appoint an arbitrator from its sub-list within that time period, the co-chair of the Partnership Council from the complaining Party shall select, no later than five days after the expiry of that time period, an arbitrator by lot from the sub-list of the Party that has failed to appoint an arbitrator. The co-chair of the Partnership Council from the complaining Party may delegate such selection by lot of the arbitrator.

4. If the Parties do not agree on the chairperson of the arbitration tribunal within the time period provided for in paragraph 2 of this Article, the co-chair of the Partnership Council from the complaining Party shall select, no later than five days after the expiry of that time period, the chairperson of the arbitration tribunal by lot from the sub-list of chairpersons established pursuant to Article 752. The co-chair of the Partnership Council from the complaining Party may delegate such selection by lot of the chairperson of the arbitration tribunal

5. Should any of the lists provided for in Article 752 not be established or not contain sufficient names at the time a selection is made pursuant to paragraph 3 or 4 of this Article, the arbitrators shall be selected by lot from the individuals who have been formally proposed by one Party or both Parties in accordance with Annex 48.

6. The date of establishment of the arbitration tribunal shall be the date on which the last of the three arbitrators has notified to the Parties the acceptance of his or her appointment in accordance with Annex 48.

## **Article 741. Requirements for Arbitrators**

1. All arbitrators shall:

(a) have demonstrated expertise in law and international trade, including on specific matters covered by Titles I to VII, Chapter 4 of Title VIII, Titles IX to XII of Heading One of Part Two or Heading Six of Part Two, or in law and any other matter covered by this Agreement or by any supplementing agreement and, in the case of a chairperson, also have experience in dispute settlement procedures;

(b) not be affiliated with or take instructions from either Party;

(c) serve in their individual capacities and not take instructions from any organisation or government with regard to matters related to the dispute; and

(d) comply with Annex 49.

2. All arbitrators shall be persons whose independence is beyond doubt, who possess the qualifications required for appointment to high judicial office in their respective countries or who are jurisconsults of recognised competence.

3. In view of the subject-matter of a particular dispute, the Parties may agree to derogate from the requirements listed in point (a) of paragraph 1.

## **Article 742. Functions of the Arbitration Tribunal**

The arbitration tribunal:

(a) shall make an objective assessment of the matter before it, including an objective assessment of the facts of the case and the applicability of and conformity of the measures at issue with, the covered provisions;

(b) shall set out, in its decisions and rulings, the findings of facts and law and the rationale behind any findings that it makes; and

(c) should consult regularly with the Parties and provide adequate opportunities for the development of a mutually agreed solution.

## **Article 743. Terms of Reference**

1. Unless the Parties agree otherwise no later than five days after the date of the establishment of the arbitration tribunal, the terms of reference of the arbitration tribunal shall be:

"to examine, in the light of the relevant covered provisions of this Agreement or of a supplementing agreement, the matter referred to in the request for the establishment of the arbitration tribunal, to decide on the conformity of the measure at issue with the provisions referred to in Article 735 and to issue a ruling in accordance with Article 745".

2. If the Parties agree on terms of reference other than those referred to in paragraph 1, they shall notify the agreed terms of reference to the arbitration tribunal within the time period referred to in paragraph 1.

## **Article 744. Urgent Proceedings**

1. If a Party so requests, the arbitration tribunal shall decide, no later than 10 days after the date of its establishment, whether the case concerns matters of urgency.

2. In cases of urgency, the applicable time periods set out in Article 745 shall be half the time prescribed therein.

## **Article 745. Ruling of the Arbitration Tribunal**

1. The arbitration tribunal shall deliver an interim report to the Parties within 100 days after the date of establishment of the arbitration tribunal. If the arbitration tribunal considers that this deadline cannot be met, the chairperson of the arbitration tribunal shall notify the Parties in writing, stating the reasons for the delay and the date on which the arbitration tribunal plans to deliver its interim report. The arbitration tribunal shall not deliver its interim report later than 130 days after the date of establishment of the arbitration tribunal under any circumstances.

2. Each Party may deliver to the arbitration tribunal a written request to review precise aspects of the interim report within 14 days of its delivery. A Party may comment on the other Party's request within six days of the delivery of the request.

3. If no written request to review precise aspects of the interim report is delivered within the time period referred to in paragraph 2, the interim report shall become the ruling of the arbitration tribunal.

4. The arbitration tribunal shall deliver its ruling to the Parties within 130 days of the date of establishment of the arbitration tribunal. When the arbitration tribunal considers that that deadline cannot be met, its chairperson shall notify the Parties in writing, stating the reasons for the delay and the date on which the arbitration tribunal plans to deliver its ruling. The arbitration tribunal shall not deliver its ruling later than 160 days after the date of establishment of the arbitration tribunal.

under any circumstances.

5. The ruling shall include a discussion of any written request by the Parties on the interim report and clearly address the comments of the Parties.

6. For greater certainty, a "ruling" or "rulings" as referred to in Articles 742, 743 and 753 and Article 754(1), (3), (4) and (6) shall be understood to refer also to the interim report of the arbitration tribunal.

## **Chapter 3. COMPLIANCE**

### **Article 746. Compliance Measures**

1. If in its ruling referred to in Article 745(4), the arbitration tribunal finds that the respondent Party has breached an obligation under this Agreement or under any supplementing agreement, that Party shall take the necessary measures to comply immediately with the ruling of the arbitration tribunal in order to bring itself in compliance with the covered provisions.

2. The respondent Party, no later than 30 days after delivery of the ruling, shall deliver a notification to the complaining Party of the measures which it has taken or which it envisages to take in order to comply.

### **Article 747. Reasonable Period of Time**

1. If immediate compliance is not possible, the respondent Party, no later than 30 days after delivery of the ruling referred to in Article 745(4), shall deliver a notification to the complaining Party of the length of the reasonable period of time it will require for compliance with the ruling referred to in Article 745(4). The Parties shall endeavour to agree on the length of the reasonable period of time to comply.

2. If the Parties have not agreed on the length of the reasonable period of time, the complaining Party may, at the earliest 20 days after the delivery of the notification referred to in paragraph 1, request in writing that the original arbitration tribunal determines the length of the reasonable period of time. The arbitration tribunal shall deliver its decision to the Parties within 20 days of the date of delivery of the request.

3. The respondent Party shall deliver a written notification of its progress in complying with the ruling referred to in Article 745(4) to the complaining Party at least one month before the expiry of the reasonable period of time.

4. The Parties may agree to extend the reasonable period of time.

### **Article 748. Compliance Review**

1. The respondent Party shall, no later than the date of expiry of the reasonable period of time, deliver a notification to the complaining Party of any measure that it has taken to comply with the ruling referred to in Article 745(4).

2. When the Parties disagree on the existence of, or the consistency with the covered provisions of, any measure taken to comply, the complaining Party may deliver a request, which shall be in writing, to the original arbitration tribunal to decide on the matter. The request shall identify any measure at issue and explain how that measure constitutes a breach of the covered provisions in a manner sufficient to present the legal basis for the complaint clearly. The arbitration tribunal shall deliver its decision to the Parties within 45 days of the date of delivery of the request.

### **Article 749. Temporary Remedies**

1. The respondent Party shall, at the request of and after consultations with the complaining Party, present an offer for temporary compensation if

(a) the respondent Party delivers a notification to the complaining Party that it is not possible to comply with the ruling referred to in Article 745(4); or

(b) the respondent Party fails to deliver a notification of any measure taken to comply within the deadline referred to in Article 746 or before the date of expiry of the reasonable period of time; or

(c) the arbitration tribunal finds that no measure taken to comply exists or that the measure taken

to comply is inconsistent with the covered provisions.

2. In any of the conditions referred to in points (a), (b) and (c) of paragraph 1, the complaining party may deliver a written notification to the respondent Party that it intends to suspend the application of obligations under the covered provisions if

(a) the complaining Party decides not to make a request under paragraph 1; or

(b) the Parties do not agree on the temporary compensation within 20 days after the expiry of the reasonable period of time or the delivery of the arbitration tribunal decision under Article 748 if a request under paragraph 1 of this Article is made.

The notification shall specify the level of intended suspension of obligations.

3. Suspension of obligations shall be subject to the following conditions:

(a) obligations under Heading Four of Part Two, the Protocol on Social Security Coordination or its annexes or Part Five may not be suspended under this Article;

(b) by way of derogation from point (a), obligations under Part Five may be suspended only where the ruling referred to in Article 745(4) concerns the interpretation and implementation of Part Five;

(c) obligations outside Part Five may not be suspended where the ruling referred to in Article 745(4) concerns the interpretation and implementation of Part Five; and

(d) obligations under Title II of Heading One of Part Two in respect of financial services may not be suspended under this Article, unless the ruling referred to in Article 745(4) concerns the interpretation and application of obligations under Title II of Heading One of Part two in respect of financial services.

4. Where a Party persists in not complying with a ruling of an arbitration panel established under an earlier agreement concluded between the Parties, the other Party may suspend obligations under the covered provisions referred to in Article 735. With the exception of the rule in point (a) of paragraph 3 of this Article, all rules relating to temporary remedies in case of non-compliance and to review of any such measures shall be governed by the earlier agreement.

5. The suspension of obligations shall not exceed the level equivalent to the nullification or impairment caused by the violation.

6. If the arbitration tribunal has found the violation in Heading One or Heading Three of Part Two, the suspension may be applied in another Title of the same Heading as that in which the tribunal has found the violation, in particular if the complaining party is of the view that such suspension is effective in inducing compliance.

7. If the arbitration tribunal has found the violation in Heading Two of Part Two:

(a) the complaining party should first seek to suspend obligations in the same Title as that in which the arbitration tribunal has found the violation;

(b) if the complaining party considers that it is not practicable or effective to suspend obligations with respect to the same Title as that in which the tribunal has found the violation, it may seek to suspend obligations in the other Title under the same Heading.

8. If the arbitration tribunal has found the violation in Heading One, Heading Two, Heading Three or Heading Five of Part Two, and if the complaining party considers that it is not practicable or effective to suspend obligations within the same Heading as that in which the arbitration tribunal has found the violation, and that the circumstances are serious enough, it may seek to suspend obligations under other covered provisions.

9. In the case of point (b) of paragraph 7 and paragraph 8, the complaining Party shall state the reasons for its decision.

10. The complaining Party may suspend the obligations 10 days after the date of delivery of the notification referred to in paragraph 2 unless the respondent Party made a request under paragraph 11.

11. If the respondent Party considers that the notified level of suspension of obligations exceeds the level equivalent to the nullification or impairment caused by the violation or that the principles and procedures set forth in point (b) of paragraph 7, paragraph 8 or paragraph 9 have not been followed, it may deliver a written request to the original arbitration tribunal before the expiry of the 10 day period set out in paragraph 10 to decide on the matter. The arbitration tribunal shall deliver its decision on the level of the suspension of obligations to the Parties within 30 days of the date of the request. Obligations shall not be suspended until the arbitration tribunal has delivered its decision. The suspension of obligations shall be consistent with that decision.

12. The arbitration tribunal acting pursuant to paragraph 11 shall not examine the nature of the obligations to be

suspended but shall determine whether the level of such suspension exceeds the level equivalent to the nullification or impairment caused by the violation. However, if the matter referred to arbitration includes a claim that the principles and procedures set forth in point (b) of paragraph 7, paragraph 8 or paragraph 9 have not been followed, the arbitration tribunal shall examine that claim. In the event the arbitration tribunal determines that those principles and procedures have not been followed, the complaining party shall apply them consistently with point (b) of paragraph 7, paragraph 8 and paragraph 9. The parties shall accept the arbitration tribunal's decision as final and shall not seek a second arbitration procedure. This paragraph shall under no circumstances delay the date as of which the complaining Party is entitled to suspend obligations under this Article.

13. The suspension of obligations or the compensation referred to in this Article shall be temporary and shall not be applied after:

(a) the Parties have reached a mutually agreed solution pursuant to Article 756;

(b) the Parties have agreed that the measure taken to comply brings the respondent Party into compliance with the covered provisions; or

(c) any measure taken to comply which the arbitration tribunal has found to be inconsistent with the covered provisions has been withdrawn or amended so as to bring the respondent Party into compliance with those covered provisions.

### **Article 750. Review of Any Measure Taken to Comply After the Adoption of Temporary Remedies**

1. The respondent Party shall deliver a notification to the complaining Party of any measure it has taken to comply following the suspension of obligations or following the application of temporary compensation, as the case may be. With the exception of cases under paragraph 2, the complaining Party shall terminate the suspension of obligations within 30 days from the delivery of the notification. In cases where compensation has been applied, with the exception of cases under paragraph 2, the respondent Party may terminate the application of such compensation within 30 days from the delivery of its notification that it has complied.

2. If the Parties do not reach an agreement on whether the notified measure brings the respondent Party into compliance with the covered provisions within 30 days of the date of delivery of the notification, the complaining Party shall deliver a written request to the original arbitration tribunal to decide on the matter. The arbitration tribunal shall deliver its decision to the Parties within 46 days of the date of the delivery of the request. If the arbitration tribunal finds that the measure taken to comply is in conformity with the covered provisions, the suspension of obligations or compensation, as the case may be, shall be terminated. When relevant, the level of suspension of obligations or of compensation shall be adjusted in light of the arbitration tribunal decision.

## **Chapter 4. COMMON PROCEDURAL PROVISIONS**

### **Article 751. Receipt of Information**

1. On request of a Party, or on its own initiative, the arbitration tribunal may seek from the Parties relevant information it considers necessary and appropriate. The Parties shall respond promptly and fully to any request by the arbitration tribunal for such information.

2. On request of a Party, or on its own initiative, the arbitration tribunal may seek from any source any information it considers appropriate. The arbitration tribunal may also seek the opinion of experts as it considers appropriate and subject to any terms and conditions agreed by the Parties, where applicable.

3. The arbitration tribunal shall consider amicus curiae submissions from natural persons of a Party or legal persons established in a Party in accordance with Annex 48.

4. Any information obtained by the arbitration tribunal under this Article shall be made available to the Parties and the Parties may submit comments on that information to the arbitration tribunal.

### **Article 752. Lists of Arbitrators**

1. The Partnership Council shall, no later than 180 days after the date of entry into force of this Agreement, establish a list of individuals with expertise in specific sectors covered by this Agreement or its supplementing agreements who are willing and able to serve as members of an arbitration tribunal. The list shall comprise at least 15 persons and shall be composed

of three sub-lists:

- (a) one sub-list of individuals established on the basis of proposals by the Union;
- (b) one sub-list of individuals established on the basis of proposals by the United Kingdom; and
- (c) one sub-list of individuals who are not nationals of either Party who shall serve as chairperson to the arbitration tribunal.

Each sub-list shall include at least five individuals. The Partnership Council shall ensure that the list is always maintained at this minimum number of individuals.

2. The Partnership Council may establish additional lists of individuals with expertise in specific sectors covered by this Agreement or by any supplementing agreement. Subject to the agreement of the Parties, such additional lists may be used to compose the arbitration tribunal in accordance with the procedure set out in Article 740(3) and (5). Additional lists shall be composed of two sub-lists:

- (a) one sub-list of individuals established on the basis of proposals by the Union; and (b) one sub-list of individuals established on the basis of proposals by the United Kingdom
3. The lists referred to in paragraphs 1 and 2 shall not comprise persons who are members, officials or other servants of the Union institutions, of the Government of a Member State, or of the Government of the United Kingdom.

### **Article 753. Replacement of Arbitrators**

If during dispute settlement procedures under this Title, an arbitrator is unable to participate, withdraws, or needs to be replaced because that arbitrator does not comply with the requirements of the Code of Conduct, the procedure set out in Article 740 shall apply. The time period for the delivery of the ruling or decision shall be extended for the time necessary for the appointment of the new arbitrator.

### **Article 754. Arbitration Tribunal Decisions and Rulings**

1. The deliberations of the arbitration tribunal shall be kept confidential. The arbitration tribunal shall make every effort to draft rulings and take decisions by consensus. If this is not possible, the arbitration tribunal shall decide the matter by majority vote. In no case shall separate opinions of arbitrators be disclosed.
2. The decisions and rulings of the arbitration tribunal shall be binding on the Union and on the United Kingdom. They shall not create any rights or obligations with respect to natural or legal persons.
3. Decisions and rulings of the arbitration tribunal cannot add to or diminish the rights and obligations of the Parties under this Agreement or under any supplementing agreement.
4. For greater certainty, the arbitration tribunal shall have no jurisdiction to determine the legality of a measure alleged to constitute a breach of this Agreement or of any supplementing agreement, under the domestic law of a Party. No finding made by the arbitration tribunal when ruling on a dispute between the Parties shall bind the domestic courts or tribunals of either Party as to the meaning to be given to the domestic law of that Party.
5. For greater certainty, the courts of each Party shall have no jurisdiction in the resolution of disputes between the Parties under this Agreement.
6. Each Party shall make the rulings and decisions of the arbitration tribunal publicly available, subject to the protection of confidential information.
7. The information submitted by the Parties to the arbitration tribunal shall be treated in accordance with the confidentiality rules laid down in Annex 48.

### **Article 755. Suspension and Termination of the Arbitration Proceedings**

At the request of both Parties, the arbitration tribunal shall suspend its work at any time for a period agreed by the Parties and not exceeding 12 consecutive months. The arbitration tribunal shall resume its work before the end of the suspension period at the written request of both Parties, or at the end of the suspension period at the written request of either Party. The requesting Party shall deliver a notification to the other Party accordingly. If a Party does not request the resumption of the arbitration tribunal's work at the expiry of the suspension period, the authority of the arbitration tribunal shall lapse and the dispute settlement procedure shall be terminated. In the event of a suspension of the work of the arbitration tribunal, the relevant time periods shall be extended by the same time period for which the work of the arbitration tribunal was

suspended.

## **Article 756. Mutually Agreed Solution**

1. The Parties may at any time reach a mutually agreed solution with respect to any dispute referred to in Article 735.
2. If a mutually agreed solution is reached during panel proceedings, the Parties shall jointly notify the agreed solution to the chairperson of the arbitration tribunal. Upon such notification, the arbitration proceedings shall be terminated.
3. The solution may be adopted by means of a decision of the Partnership Council. Mutually agreed solutions shall be made publicly available. The version disclosed to the public shall not contain any information either Party has designated as confidential.
4. Each Party shall take the measures necessary to implement the mutually agreed solution within the agreed time period.
5. No later than the date of expiry of the agreed time period, the implementing Party shall inform the other Party in writing of any measures thus taken to implement the mutually agreed solution.

## **Article 757. Time Periods**

1. All time periods hid down in this Title shall be counted in days from the day following the act to which they refer.
2. Any time period referred to in this Title may be modified by mutual agreement of the Parties. 3. The arbitration tribunal may at any time propose to the Parties to modify any time period referred to in this Title, stating the reasons for the proposal.

## **Article 758 . Costs**

1. Each Party shall bear its own expenses derived from the participation in the arbitration tribunal procedure.
2. The Parties shall share jointly and equally the expenses derived from organisational mutters, including the remuneration and expenses of the members of the arbitration tribunal. The remuneration of the arbitrators shall be in accordance with Annex 48.

## **Article 759. Annexes**

1. Dispute settlement procedures set out in this Title shall be governed by the rules of procedure set out in Annex 48 and conducted in accordance with Annex 49.
2. The Partnership Council may amend Annexes 48 and 49.

# **Chapter 5. SPECIFIC ARRANGEMENTS FOR UNILATERAL MEASURES**

## **Article 760. Special Procedures for Remedial Measures and Rebalancing**

1. For the purposes of Article 374 and Article 411(2) and (3), this Title applies with the modifications set out in this Article.
2. By way of derogation from Article 740 and Annex 48, if the Parties do not agree on the composition of the arbitration tribunal within two days, the co-chair of the Partnership Council from the complaining Party shall select, no later than one day after the expiry of the two-day time period, an arbitrator by lot from the sub-list of each Party and the chairperson of the arbitration tribunal by lot from the sub-list of chairpersons established pursuant to Article 752. The co-chair of the Partnership Council from the complaining Party may delegate such selection by bt of the arbitrator or chairperson, Each individual shall confirm his or her availability to both Parties within two days from the date on which he or she was informed of his or her appointment. The organisational meeting referred to in Rule 10 of Annex 48 shall take place within two days from the establishment of the arbitration tribunal.
3. By way of derogation from Rule 11 of Annex 48 the complaining Party shall deliver its written submission no later than seven days after the date of establishment of the arbitration tribunal. The respondent Party shall deliver its written submission no later than seven days after the date of delivery of the written submission of the complaining Party. The arbitration tribunal shall adjust any other relevant time periods of the dispute settlement procedure as necessary to ensure the timely delivery of the report.

4. Article 745 does not apply and references to the ruling in this Title shall be read as references to the ruling referred to in Article 374(10) or point (c) of Article 411(3).

5. By way of derogation from Article 748(2), the arbitration tribunal shall deliver its decision to the Parties within 30 days from the date of delivery of the request.

### **Article 761. Suspension of Obligations for the Purposes of Article 374(12), Article 501(5) and Article 506(7)**

1. The level of suspension of obligations shall not exceed the level equivalent to the nullification or impairment of benefits under this Agreement or under a supplementing agreement that is directly caused by the remedial or compensatory measures from the date the remedial or compensatory measures enter into effect until the date of the delivery of the arbitration ruling.

2. The level of suspension of obligations requested by the complaining Party and the determination of the level of suspension of obligations by the arbitration tribunal shall be based on facts demonstrating that the nullification or impairment arises directly from the application of the remedial or compensatory measure and affects specific goods, service suppliers, investors or other economic actors and not merely on allegation, conjecture or remote possibility.

3. The level of nullified or impaired benefits requested by the complaining Party or determined by the arbitration tribunal:

(a) shall not include punitive damages, interest or hypothetical losses of profits or business opportunities;

(b) shall be reduced by any prior refunds of duties, indemnification of damages or other forms of compensation already received by the concerned operators or the concerned Party; and

(c) shall not include the contribution to the nullification or impairment by wilful or negligent action or omission of the concerned Party or any person or entity in relation to whom remedies are sought pursuant to the intended suspension of obligations.

### **Article 762. Conditions for Rebalancing, Remedial, Compensatory and Safeguard Measures**

Where a Party takes a measure under Article 374, Article 411, Article 469, Article 501, Article 506 or Article 773, that measure shall only be applied in respect of covered provisions within the meaning of Article 735 and shall comply, *mutatis mutandis*, with the conditions set out in Article 749.

## **Title II. BASIS FOR COOPERATION**

### **Article 763. Democracy, Rule of Law and Human Rights**

1. The Parties shall continue to uphold the shared values and principles of democracy, the rule of law, and respect for human rights, which underpin their domestic and international policies. In that regard, the Parties reaffirm their respect for the Universal Declaration of Human Rights and the international human rights treaties to which they are parties.

2. The Parties shall promote such shared values and principles in international forums. The Parties shall cooperate in promoting those values and principles, including with or in third countries.

### **Article 764. Fight Against Climate Change**

1. The Parties consider that climate change represents an existential threat to humanity and reiterate their commitment to strengthening the global response to this threat. The fight against human-caused climate change as elaborated in the United Nations Framework Convention on Climate Change ("UNFCCC") process, and in particular in the Paris Agreement adopted by the Conference of the Parties to the United Nations Framework Convention on Climate Change at its 21st session (the "Paris Agreement"), inspires the domestic and external policies of the Union and the United Kingdom. Accordingly, each Party shall respect the Paris Agreement and the process set up by the UNFCCC and refrain from acts or omissions that would materially defeat the object and purpose of the Paris Agreement.

2. The Parties shall advocate the fight against climate change in international forums, including by engaging with other countries and regions to increase their level of ambition in the reduction of greenhouse emissions.



## **Article 765. Countering Proliferation of Weapons of Mass Destruction**

1. The Parties consider that the proliferation of weapons of mass destruction ("WMD") and their means of delivery, to both state and non-state actors, represents one of the most serious threats to international stability and security. The Parties therefore agree to cooperate and to contribute to countering the proliferation of weapons of mass destruction and their means of delivery through full compliance with and national implementation of existing obligations under international disarmament and non-proliferation treaties and agreements and other relevant international obligations.

2. The Parties, furthermore, agree to cooperate on and to contribute to countering the proliferation of weapons of mass destruction and their means of delivery by:

(a) taking steps to sign, ratify, or accede to, as appropriate, and fully implement all other relevant international instruments; and

(b) establishing an effective system of national export controls, controlling the export as well as transit of WMD-related goods, including a WMD end-use control on dual use technologies and containing effective sanctions for breaches of export controls.

3. The Parties agree to establish a regular dialogue on those matters.

## **Article 766. Small Arms and Light Weapons and other Conventional Weapons**

1. The Parties recognise that the illicit manufacture, transfer and circulation of small arms and light weapons ("SALW"), including their ammunition, their excessive accumulation, their poor management, inadequately secured stockpiles and their uncontrolled spread continue to pose a serious threat to peace and international security.

2. The Parties agree to observe and fully implement their respective obligations to deal with the illicit trade in SALW, including their ammunition, under existing international agreements and UN Security Council resolutions, as well as their respective commitments within the framework of other international instruments applicable in this area, such as the UN Programme of Action to prevent, combat and eradicate the illicit trade in SALW in all its aspects.

3. The Parties recognise the importance of domestic control systems for the transfer of conventional arms in line with existing international standards. The Parties recognise the importance of applying such control in a responsible manner, as a contribution to international and regional peace, security and stability, and to the reduction of human suffering, as well as to the prevention of diversion of conventional weapons.

4. The Parties undertake, in that regard, to fully implement the Arms Trade Treaty and to cooperate with each other within the framework of that Treaty, including in promoting the universalisation and full implementation of that Treaty by all UN member states.

5. The Parties therefore undertake to cooperate in their efforts to regulate or improve the regulation of international trade in conventional arms and to prevent, combat and eradicate the illicit trade in arms.

6. The Parties agree to establish a regular dialogue on those matters.

## **Article 767. The Most Serious Crimes of Concern to the International Community**

1. The Parties reaffirm that the most serious crimes of concern to the international community as a whole must not go unpunished and that their effective prosecution must be ensured by taking measures at the national level and by enhancing international cooperation, including with the International Criminal Court. The Parties agree to fully support the universality and integrity of the Rome Statute of the International Criminal Court and related instruments.

2. The Parties agree to establish a regular dialogue on those matters.

## **Article 768. Counter-terrorism**

1. The Parties shall cooperate at the bilateral, regional and international levels to prevent and combat acts of terrorism in all its forms and manifestations in accordance with international law, including, where applicable, international counterterrorism-related agreements, international humanitarian law and international human rights law, as well as in accordance with the principles of the Charter of the United Nations.

2. The Parties shall enhance cooperation on counter-terrorism, including preventing and countering violent extremism and

the financing of terrorism, with the aim of advancing their common security interests, taking into account, the United Nations Global Counter-Terrorism Strategy and relevant United Nations Security Council resolutions, without prejudice to law enforcement and judicial cooperation in criminal matters and intelligence exchanges.

3. The Parties agree to establish a regular dialogue on those matters. This dialogue will, inter alia, aim to promote and facilitate:

- (a) the sharing of assessments on the terrorist threat;
- (b) the exchange of best practices and expertise on counter terrorism;
- (c) operational cooperation and exchange of information; and
- (d) exchanges on cooperation in the framework of multilateral organisations.

## **Article 769. Personal Data Protection**

1. The Parties affirm their commitment to ensuring a high level of personal data protection. They shall endeavour to work together to promote high international standards.

2. The Parties recognise that individuals have a right to the protection of personal data and privacy and that high standards in this regard contribute to trust in the digital economy and to the development of trade, and are a key enabler for effective law enforcement cooperation. To that end, the Parties shall undertake to respect, each in the framework of their respective laws and regulations, the commitments they have made in this Agreement in connection with that right.

3. The Parties shall cooperate at bilateral and multilateral levels, while respecting their respective laws and regulations. Such cooperation may include dialogue, exchanges of expertise, and cooperation on enforcement, as appropriate, with respect to personal data protection.

4. Where this Agreement or any supplementing agreement provide for the transfer of personal data, such transfer shall take place in accordance with the transferring Party's rules on international transfers of personal data. For greater certainty, this paragraph is without prejudice to the application of any specific provisions in this Agreement relating to the transfer of personal data, in particular Article 202 and Article 525, and to Title I of Part Six. Where needed, each Party will make best efforts, while respecting its rules on international transfers of personal data, to establish safeguards necessary for the transfer of personal data, taking into account any recommendations of the Partnership Council under point (h) of Article 7(4).

## **Article 770. Global Cooperation on Issues of Shared Economic, Environmental and Social Interest**

1. The Parties recognise the importance of global cooperation to address issues of shared economic, environmental and social interest. Where it is in their mutual interest, they shall promote multilateral solutions to common problems.

2. While preserving their decision-making autonomy, and without prejudice to other provisions of this Agreement or any supplementing agreement, the Parties shall endeavour to cooperate on current and emerging global issues of common interest such as peace and security, climate change, sustainable development, cross-border pollution, environmental protection, digitalisation, public health and consumer protection, taxation, financial stability, and free and fair trade and investment. To that end, they shall endeavour to maintain a constant and effective dialogue and to coordinate their positions in multilateral organisations and forums in which the Parties participate, such as the United Nations, the Group of Seven (G-7) and the Group of Twenty (G-20), the Organisation for Economic Co-operation and Development, the International Monetary Fund, the World Bank and the World Trade Organization.

## **Article 771. Essential Elements**

Article 763(1), Article 764(1) and Article 765(1) constitute essential elements of the partnership established by this Agreement and any supplementing agreement.

## **Title II. FULFILLMENT OF OBLIGATIONS AND SAFEGUARD MEASURES**

### **Article 772. Fulfilment of Obligations Described as Essential Elements**

1. If either Party considers that there has been a serious and substantial failure by the other Party to fulfil any of the

obligations that are described as essential elements in Article 771, it may decide to terminate or suspend the operation of this Agreement or any supplementing agreement in whole or in part.

2. Before doing so, the Party invoking the application of this Article shall request that the Partnership Council meet immediately with a view to seeking a timely and mutually agreeable solution. If no mutually agreeable solution is found within 30 days from the date of the request to the Partnership Council, the Party may take the measures referred to in paragraph 1.

3. The measures referred to in paragraph 1 shall be in full respect of international law and shall be proportionate. Priority shall be given to the measures which least disturb the functioning of this Agreement and of any supplementing agreements.

4. The Parties consider that, for a situation to constitute a serious and substantial failure to fulfil any of the obligations described as essential elements in Article 771, its gravity and nature would have to be of an exceptional sort that threatens peace and security or that has international repercussions. For greater certainty, an act or omission which materially defeats the object and purpose of the Paris Agreement shall always be considered as a serious and substantial failure for the purposes of this Article.

### **Article 773. Safeguard Measures**

1. If serious economic, societal or environmental difficulties of a sectorial or regional nature, including in relation to fishing activities and their dependent communities, that are liable to persist arise, the Party concerned may unilaterally take appropriate safeguard measures. Such safeguard measures shall be restricted with regard to their scope and duration to what is strictly necessary in order to remedy the situation. Priority shall be given to those measures which will least disturb the functioning of this Agreement.

2. The Party concerned shall, without delay, notify the other Party through the Partnership Council and shall provide all relevant information. The Parties shall immediately enter into consultations in the Partnership Council with a view to finding a mutually agreeable solution.

3. The Party concerned may not take safeguard measures until one month has elapsed after the date of notification referred to in paragraph 2, unless the consultation procedure pursuant to paragraph 2 has been jointly concluded before the expiration of the stated time limit. When exceptional circumstances requiring immediate action exclude prior examination, the Party concerned may apply forthwith the safeguard measures strictly necessary to remedy the situation.

The Party concerned shall, without delay, notify the measures taken to the Partnership Council and shall provide all relevant information.

4. If a safeguard measure taken by the Party concerned creates an imbalance between the rights and obligations under this Agreement or under any supplementing agreement, the other Party may take such proportionate rebalancing measures as are strictly necessary to remedy the imbalance. Priority shall be given to those measures which will least disturb the functioning of this Agreement. Paragraphs 2 to 4 shall apply mutatis mutandis to such rebalancing measures.

5. Either Party may, without having prior recourse to consultations pursuant to Article 738, initiate the arbitration procedure referred to in Article 739 to challenge a measure taken by the other Party in application of paragraphs 1 to 5 of this Article.

6. The safeguard measures referred to in paragraph 1 and the rebalancing measures referred to in paragraph 5 may also be taken in relation to a supplementing agreement, unless otherwise provided therein.

## **Part SEVEN. FINAL PROVISIONS**

### **Article 774. Territorial Scope**

1. This Agreement applies to:

(a) the territories to which the TEU, the TFEU and the Treaty establishing the European Atomic Energy Community are applicable, and under the conditions laid down in those Treaties; and

(b) the territory of the United Kingdom.

2. This Agreement also applies to the Bailiwick of Guernsey, the Bailiwick of Jersey and the Isle of Man to the extent set out in Heading Five of Part Two and Article 520.

3. This Agreement shall neither apply to Gibraltar nor have any effects in that territory.

4. This Agreement does not apply to the overseas territories having special relations with the United Kingdom: Anguilla; Bermuda; British Antarctic Territory; British Indian Ocean Territory, British Virgin Islands; Cayman Islands; Falkland Islands; Montserrat; Pitcairn, Henderson, Ducie and Oeno Islands; Saint Helena, Ascension and Tristan da Cunha; South Georgia and the South Sandwich Islands; and Turks and Caicos Islands.

## **Article 775. Relationship with other Agreements**

This Agreement and any supplementing agreement apply without prejudice to any earlier bilateral agreement between the United Kingdom of the one part and the Union and the European Atomic Energy Community of the other part. The Parties reaffirm their obligations to implement any such Agreement,

## **Article 776. Review**

The Parties shall jointly review the implementation of this Agreement and supplementing agreements and any matters related thereto five years after the entry into force of this Agreement and every five years thereafter.

## **Article 777. Classified Information and Sensitive Non-classified Information**

Nothing in this Agreement or in any supplementing agreement shall be construed as requiring a Party to make available classified information.

Classified information or material provided by or exchanged between the Parties under this Agreement or any supplementing agreement shall be handled and protected in compliance with the Agreement on security procedures for exchanging and protecting classified information and any implementing arrangement concluded under it. The Parties shall agree upon handling instructions to ensure the protection of sensitive non-classified information exchanged between them

## **Article 778. Integral Parts of this Agreement**

1. The Protocols, Annexes, Appendices and footnotes to this Agreement shall form an integral part of this Agreement,
2. Each of the Annexes to this Agreement, including its appendices, shall form an integral part of the Section, Chapter, Title, Heading or Protocol that refers to that Annex or to which reference is made in that Annex. For greater certainty:
  - (a) Annex 1 forms an integral part of Title II of Part One;
  - (b) Annexes 2, 3, 4, 5, 6, 7, 8 and 9 form an integral part of Chapter 2 of Title I of Heading One of Part Two;
  - (c) Annex 10 forms an integral part of Chapter 3 of Title I of Heading One of Part Two;
  - (d) Annexes 11, 12, 13, 14, 15, 16 and 17 form an integral part of Chapter 4 of Title I of Heading One of Part Two;
  - (e) Annex 18 forms an integral part of Chapter 5 of Title I of Heading One of Part Two;
  - (f) Annexes 19, 20, 21, 22, 23 and 24 form an integral part of Title II of Heading One of Part Two;
  - (g) Annex 25 forms an integral part of Title VI of Heading One of Part Two;
  - (h) Annexes 26, 27, 28 and 29 form an integral part of Title VII of Heading One of Part Two;
  - (i) Annex 27 forms an integral part of Title XI of Heading One of Part Two;
  - (j) Annex 30 and any annex adopted in accordance with Article 454 form an integral part of Title Two of Heading Two of Part Two;
  - (k) Annex 31 forms an integral part of Title I of Heading Three of Part Two;
  - (l) Annexes 32, 33 and 34 form an integral part of Title II of Heading Three of Part Two;
  - (m) Annexes 35, 36, 37 and 38 form an integral part of Heading Five of Part Two;
  - (n) Annex 39 forms an integral part of Title II of Part Three;
  - (o) Annex 40 forms an integral part of Title II of Part Three;

- (p) Annex 41 forms an integral part of Title V of Part Three;
- (q) Annex 42 forms an integral part of Title VI of Part Three;
- (r) Annex 43 forms an integral part of Title VII of Part Three;
- (s) Annex 44 forms an integral part of Title IX of Part Three;
- (t) Annex 45 forms an integral part of Title II, Title VII and Title XI of Part Three;
- (u) Annex 46 forms an integral part of Title XI of Part Three;
- (v) Annex 47 forms an integral part of Section 2 of Chapter 1 of Part Five;
- (w) Annexes 48 and 49 form an integral part of Title I of Part Six;
- (x) the Annex to the protocol on administrative cooperation and combating fraud in the field of value added tax and on mutual assistance for the recovery of claims relating to taxes and duties forms an integral part of the Protocol on administrative cooperation and combating fraud in the field of value added tax and on mutual assistance for the recovery of claims relating to taxes and duties;
- (y) Annexes SSC-1, SSC-2, SSC-3, SSC-4, SSC-5, SSC-6, SSC-7 and SSC-8 and their Appendices form an integral part of the Protocol on Social Security Coordination.

## **Article 779. Termination**

Either Party may terminate this Agreement by written notification through diplomatic channels.

This Agreement and any supplementing agreement shall cease to be in force on the first day of the twelfth month following the date of notification.

## **Article 780. Authentic Texts**

This Agreement shall be drawn up in duplicate in the Bulgarian, Croatian, Czech, Danish, Dutch, English, Estonian, Finnish, French, German, Greek, Hungarian, Irish, Italian, Latvian, Lithuanian, Maltese, Polish, Portuguese, Romanian, Slovak, Slovenian, Spanish and Swedish languages. By 30 April 2021, all language versions of the Agreement shall be subject to a process of final legal-linguistic revision. Notwithstanding the previous sentence, the process of final legal-linguistic revision for the English version of the Agreement shall be finalised at the latest by the day referred to in Article 783(1) if that day is earlier than 30 April 2021.

The language versions resulting from the above process of final legal-linguistic revision shall replace ab initio the signed versions of the Agreement and shall be established as authentic and definitive by exchange of diplomatic notes between the Parties,

## **Article 781. Future Accessions to the Union**

1. The Union shall notify the United Kingdom of any new request for accession of a third country to the Union.
2. During the negotiations between the Union and a third country regarding the accession of that country to the Union (1), the Union shall endeavour to:
  - (a) on request of the United Kingdom and, to the extent possible, provide any information regarding any matter covered by this Agreement and any supplementing agreement; and
  - (b) take into account any concerns expressed by the United Kingdom.
3. The Partnership Council shall examine any effects of accession of a third country to the Union on this Agreement and any supplementing agreement sufficiently in advance of the date of such accession,
4. To the extent necessary, the United Kingdom and the Union shall, before the entry into force of the agreement on the accession of a third country to the Union:
  - (a) amend this Agreement or any supplementing agreement,

(b) put in place by decision of the Partnership Council any other necessary adjustments or transitional arrangements regarding this Agreement or any supplementing agreement; or

(c) decide within the Partnership Council whether:

(i) to apply Article 492 to the national of that third country, or

(ii) to establish transitional arrangements as regards Article 492 in relation to that third country and its nationals once it accedes to the Union.

5. In the absence of a decision under point (c)(i) or (ii) of paragraph 4 of this Article by the entry into force of the agreement on the accession of the relevant third country to the Union, Article 492 shall not apply to nationals of that third country.

6. In the event that the Partnership Council establishes transitional arrangements as referred to in point (c)(ii) of paragraph 4, it shall specify their duration. The Partnership Council may extend the duration of those transitional arrangements.

7. Before the expiry of the transitional arrangements referred to in point (c)(ii) of paragraph 4 of this Article, the Partnership Council shall decide whether to apply Article 492 to the nationals of that third country from the end of the transitional arrangements. In the absence of such a decision Article 492 shall not apply in relation to the nationals of that third country from the end of the transitional arrangements.

8. Point (c) of paragraph 4, and paragraphs 5 to 7 are without prejudice to the Union's prerogatives under its domestic legislation.

9. For greater certainty, without prejudice to point (c) of paragraph 4 and paragraphs 5 to 7, this Agreement shall apply in relation to a new Member State of the Union from the date of accession of that new Member State to the Union.

(1) For greater certainty, paragraphs 2 to 9 apply in respect of negotiations between the Union and a third country for accession to the Union taking place after the entry into force of this Agreement, notwithstanding the fact a request for accession took place before the entry into force of this Agreement.

## **Article 782. Interim Provision for Transmission of Personal Data to the United Kingdom**

1. For the duration of the specified period, transmission of personal data from the Union to the United Kingdom shall not be considered as a transfer to a third country under Union law, provided that the data protection legislation of the United Kingdom on 31 December 2020, as it is saved and incorporated into United Kingdom law by the European Union (Withdrawal) Act 2018 and as modified by the Data Protection, Privacy and Electronic Communications (Amendments etc) (EU Exit) Regulations 2019 (SI 2019/419) (1) (the "applicable data protection regime"), applies and provided that the United Kingdom does not exercise the designated powers without the agreement of the Union within the Partnership Council.

2. Subject to paragraphs 3 to 11, paragraph 1 shall also apply in respect of transfers of personal data from Iceland, the Principality of Liechtenstein and the Kingdom of Norway to the United Kingdom during the specified period made under Union law as applied in those states by the Agreement on the European Economic Area done at Porto on 2 May 1992, for so long as paragraph 1 applies to transfers of personal data from the Union to the United Kingdom, provided that those states notify both Parties in writing of their express acceptance to apply this provision.

3. For the purposes of this Article, the "designated powers" means the powers:

(a) to make regulations pursuant to sections 17A, 17C and 74A of the UK Data Protection Act 2018;

(b) to issue a new document specifying standard data protection clauses pursuant to section 119A of the UK Data Protection Act 2018;

(c) to approve a new draft code of conduct pursuant to Article 40(5) of the UK General Data Protection Regulation ("UK GDPR"), other than a code of conduct which cannot be relied on to provide appropriate safeguards for transfers of personal data to a third country under Article 46(2)(e) of the UK GDPR;

(d) to approve new certification mechanisms pursuant to Article 42(5) of the UK GDPR, other than certification mechanisms which cannot be relied on to provide appropriate safeguards for transfers of personal data to a third country under Article 46(2)(f) of the UK GDPR;

(e) to approve new binding corporate rules pursuant to Article 47 of the UK GDPR;

(f) to authorise new contractual clauses referred to in Article 46(3)(a) of the UK GDPR; or

(g) to authorise new administrative arrangements referred to in Article 46(3)(b) of the UK GDPR.

4. The "specified period" begins on the date of entry into force of this Agreement and, subject to paragraph 5, ends on one of the following dates, whichever is earlier:

(a) on the date on which adequacy decisions in relation to the United Kingdom are adopted by the European Commission under Article 36(3) of Directive (EU) 2016/680 and under Article 45(3) of Regulation (EU) 2016/679, or

(b) on the date four months after the date on which the specified period begins, which period shall be extended by two further months unless one of the Parties objects.

5. Subject to paragraphs 6 and 7, if during the specified period, the United Kingdom amends the applicable data protection regime or exercises the designated powers without the agreement of the Union within the Partnership Council, the specified period shall end on the date on which the powers are exercised or the amendment comes into force.

6. The references to exercising the designated powers in paragraphs 1 and 5 do not include the exercise of such powers the effect of which is limited to alignment with the relevant Union data protection law.

7. Anything that would otherwise be an amendment to the applicable data protection regime which is:

(a) made with the agreement of the Union within the Partnership Council; or

(b) limited to alignment with the relevant Union data protection law;

shall not be treated as an amendment to the applicable data protection regime for the purposes of paragraph 5 and instead should be treated as being part of the applicable data protection regime for the purposes of paragraph 1.

8. For the purposes of paragraphs 1, 5 and 7, "the agreement of the Union within the Partnership Council" means:

(a) a decision of the Partnership Council as described in paragraph 11; or

(b) deemed agreement as described in paragraph 10.

9. Where the United Kingdom notifies the Union that it proposes to exercise the designated powers or proposes to amend the applicable data protection regime, either party may request, within five working days, a meeting of the Partnership Council which must take place within two weeks of such request.

10. If no such meeting is requested, the Union is deemed to have given agreement to such exercise or amendment during the specified period.

11. If such a meeting is requested, at that meeting the Partnership Council shall consider the proposed exercise or amendment and may adopt a decision stating that it agrees to the exercise or amendment during the specified period.

12. The United Kingdom shall, as far as is reasonably possible, notify the Union when, during the specified period, it enters into a new instrument which can be relied on to transfer personal data to a third country under Article 46(2)(a) of the UK GDPR or section 75(1)(a) of the UK Data Protection Act 2018 during the specified period. Following a notification by the United Kingdom under this paragraph, the Union may request a meeting of the Partnership Council to discuss the relevant instrument.

13. Title I of Part Six does not apply in respect of disputes regarding the interpretation and application of this Article.

(1) As amended by the Data Protection, Privacy and Electronic Communications (Amendments etc) (EU Exit) Regulations 2020 (SI 2020/1586).

## **Article 783. Entry Into Force and Provisional Application**

1. This Agreement shall enter into force on the first day of the month following that in which both Parties have notified each other that they have completed their respective internal requirements and procedures for establishing their consent to be bound.

2. The Parties agree to provisionally apply this Agreement from 1 January 2021 provided that prior to that date they have notified each other that their respective internal requirements and procedures necessary for provisional application have been completed. Provisional application shall cease on one of the following dates, whichever is the earliest:

(a) 28 February 2021 or another date as decided by the Partnership Council; or

(b) the day referred to in paragraph 1.

3. As from the date from which this Agreement is provisionally applied, the Parties shall understand references in this Agreement to "the date of entry into force of this Agreement" or to "the entry into force of this Agreement" as references to the date from which this Agreement is provisionally applied.

Done at Brussels and London on the thirtieth day of December in the year two thousand and twenty.

For the European Union

For the European Atomic Energy Community

For the United Kingdom of Great Britain and Northern Ireland

## **Annex 1. RULES OF PROCEDURE OF THE PARTNERSHIP COUNCIL AND COMMITTEES**

### **Rule 1. Chair**

1. The Union and the United Kingdom shall notify each other of the name, position and contact details of their respective designated co-chairs. A co-chair is deemed to have the authorisation for representing, respectively, the Union or the United Kingdom until the date a new co-chair has been notified to the other Party.

2. The decisions of the co-chairs provided for by these Rules of Procedure shall be taken by mutual consent,

3. A co-chair may be replaced for a particular meeting by a designee. The co-chair, or his or her designee, shall notify the other co-chair and the Secretariat of the Partnership Council of the designation as early as possible. Any reference in these Rules of Procedure to the co-chairs shall be understood to include a designee.

### **Rule 2. Secretariat**

The Secretariat of the Partnership Council (the "Secretariat") shall be composed of an official of the Union and an official of the Government of the United Kingdom, The Secretariat shall perform the tasks conferred on it by these Rules of Procedure.

The Union and the United Kingdom shall notify each other of the name, position and contact details of the official who is the member of the Secretariat of the Partnership Council for the Union and the United Kingdom, respectively. This official is deemed to continue acting as member of the Secretariat for the Union or for the United Kingdom until the date either the Union or the United Kingdom has notified a new member.

### **Rule 3. Meetings**

1. Each meeting of the Partnership Council shall be convened by the Secretariat at a date and time agreed by the co-chairs. Where the Union or the United Kingdom has transmitted a request for a meeting through the Secretariat, the Partnership Council shall endeavour to meet within 30 days of such request, or sooner in cases provided for in this Agreement.

2. The Partnership Council shall hold its meetings alternately in Brussels and London, unless the co-chairs decide otherwise.

3. By way of derogation from paragraph 2, the co-chairs may agree that a meeting of the Partnership Council be held by videoconference or teleconference.

### **Rule 4. Participation In Meetings**

1. A reasonable period of time in advance of each meeting, the Union and the United Kingdom shall inform each other through the Secretariat of the intended composition of their respective delegations and shall specify the name and function of each member of the delegation.

2. Where appropriate the co-chairs may, by mutual consent, invite experts (ie. non-government officials) to attend meetings



of the Partnership Council in order to provide information on a specific subject and only for the parts of the meeting where such specific subjects are discussed.

## **Rule 5. Documents**

Written documents on which the deliberations of the Partnership Council are based shall be numbered and circulated to the Union and the United Kingdom by the Secretariat.

## **Rule 6. Correspondence**

1. The Union and the United Kingdom shall send their correspondence addressed to the Partnership Council via the Secretariat. Such correspondence may be sent in any form of written communication, including by electronic mail.
2. The Secretariat shall ensure that correspondence addressed to the Partnership Council is delivered to the co-chairs and is circulated, where appropriate, in accordance with Rule 5.
3. All correspondence from, or addressed directly to, the co-chairs shall be forwarded to the Secretariat and shall be circulated, where appropriate, in accordance with Rule 5.

## **Rule 7. Agenda for the Meetings**

1. For each meeting, a draft provisional agenda shall be drawn up by the Secretariat. It shall be transmitted, together with the relevant documents, to the co-chairs no later than 10 days before the date of the meeting.
2. The provisional agenda shall include items requested by the Union or the United Kingdom. Any such request, together with any relevant document, shall be submitted to the Secretariat no later than 15 days before the beginning of the meeting.
3. No later than 5 days before the date of the meeting, the co-chairs shall decide on the provisional agenda for a meeting.
4. The agenda shall be adopted by the Partnership Council at the beginning of each meeting. On request by the Union or the United Kingdom, an item other than those included in the provisional agenda may be included in the agenda by consensus. The co-chairs may, by mutual consent, reduce or increase the time periods specified in paragraphs 1, 2 and 3 in order to take account of the requirements of a particular case.

## **Rule 8. Minutes**

1. Draft minutes of each meeting shall be drawn up by the official acting as member of the Secretariat of the Party hosting the meeting, within 15 days from the end of the meeting, unless otherwise decided by the co-chairs. The draft minutes shall be transmitted for comments to the member of the Secretariat of the other Party. The latter may submit comments within 7 days from the date of receipt of the draft minutes.
2. The minutes shall, as a rule, summarise each item on the agenda, specifying where applicable:
  - (a) the documents submitted to the Partnership Council;
  - (b) any statement that one of the co-chairs requested to be entered in the minutes; and
  - (c) the decisions taken, recommendations made, statements agreed upon and conclusions adopted on specific items.
3. The minutes shall include as an annex a list of participants setting out for each of the delegations the names and functions of all individuals who attended the meeting.
4. The Secretariat shall adjust the draft minutes on the basis of comments received and the draft minutes, as revised, shall be approved by the co-chairs within 28 days of the date of the meeting, or by any other date agreed by the co-chairs. Once approved, two versions of the minutes shall be authenticated by signature of the members of the Secretariat. The Union and the United Kingdom shall each receive one of these authentic versions. The co-chairs may agree that signing and exchanging electronic copies satisfies this requirement.

## **Rule 9. Decisions and Recommendations**

1. In the period between meetings, the Partnership Council may adopt decisions or recommendations by written procedure. The text of a draft decision or recommendation shall be presented in writing by a co-chair to the other co-chair in the

working language of the Partnership Council. The other Party shall have one month, or any longer period of time specified by the proposing Party, to express its agreement to the draft decision or recommendation. If the other Party does not express its agreement, the proposed decision or recommendation shall be discussed and may be adopted at the next meeting of the Partnership Council. The draft decisions or recommendations shall be deemed to be adopted once the other Party expresses its agreement and shall be recorded in the minutes of the next meeting of the Partnership Council pursuant to Rule 8.

2. Where the Partnership Council adopts decisions or recommendations, the words "Decision" or "Recommendation", respectively, shall be inserted in the title of such acts. The Secretariat shall record any decision or recommendation under a serial number and with a reference to the date of its adoption.

3. Decisions adopted by the Partnership Council shall specify the date on which they take effect.

4. Decisions and recommendations adopted by the Partnership Council shall be established in duplicate in the authentic languages and signed by the co-chairs and shall be sent by the Secretariat to the Union and the United Kingdom immediately after signature. The co-chairs may agree that signing and exchanging electronic copies satisfies the requirement for signature.

## **Rule 10. Transparency**

The co-chairs may agree that the Partnership Council shall meet in public.

1. Each Party may decide on the publication of the decisions and recommendations of the Partnership Council in its respective official journal or online.

2. If the Union or the United Kingdom submits information that is confidential or protected from disclosure under its laws and regulations to the Partnership Council, the other party shall treat that information received as confidential.

3. Provisional agendas of the meetings shall be made public before the meeting of the Partnership Council takes place. The minutes of the meetings shall be made public following their approval in accordance with Rule 8.

4. Publication of documents referred to in paragraphs 2, 3 and 4 shall be made in compliance with both Parties' applicable data protection rules.

## **Rule 11. Languages**

1. The official languages of the Partnership Council shall be the official languages of the Union and the United Kingdom.

2. The working language of the Partnership Council shall be English. Unless otherwise decided by the co-chairs, the Partnership Council shall base its deliberations on documents prepared in English.

3. The Partnership Council shall adopt decisions concerning the amendment or interpretation of this Agreement in the languages of the authentic texts of this Agreement. All other decisions of the Partnership Council, including the ones through which the present rules of procedure are amended, shall be adopted in the working language referred to in paragraph 2.

## **Rule 12. Expenses**

1. The Union and the United Kingdom shall each meet any expenses they incur as a result of participating in the meetings of the Partnership Council.

2. Expenditure in connection with the organisation of meetings and reproduction of documents shall be borne by the party hosting the meeting.

3. Expenditure in connection with interpretation to and from the working language of the Partnership Council at meetings shall be borne by the party requesting such interpretation.

4. Each Party shall be responsible for the translation of decisions and other documents into its own official language(s), if required pursuant to Rule 11, and it shall meet expenditures associated with such translations.

## **Rule 13. Committees**

1. Without prejudice to paragraph 2 of this Rule, Rules 1 to 12 shall apply mutatis mutandis to the Committees.
2. The Committees shall inform the Partnership Council of their meeting schedules and agenda sufficiently in advance of their meetings, and shall report to the Partnership Council on the results and conclusions of each of their meetings.

## **ANNEX 19. EXISTING MEASURES**

### **Headnotes**

1. The Schedules of the United Kingdom and the Union set out, under Articles 133, 139 and 195 of this Agreement, the reservations taken by the United Kingdom and the Union with respect to existing measures that do not conform with obligations imposed by:
  - (a) Article 128 or 135 of this Agreement;
  - (b) Article 136 of this Agreement;
  - (c) Article 129 or 137 of this Agreement;
  - (d) Article 130 or 138 of this Agreement;
  - (e) Article 131 of this Agreement;
  - (f) Article 132 of this Agreement; or
  - (g) Article 194 of this Agreement.
2. The reservations of a Party are without prejudice to the rights and obligations of the Parties under GATS.
3. Each reservation sets out the following elements:
  - (a) "sector" refers to the general sector in which the reservation is taken;
  - (b) "sub-sector" refers to the specific sector in which the reservation is taken;
  - (c) "industry classification" refers, where applicable, to the activity covered by the reservation according to the CPC, ISIC Rev. 3.1, or as expressly otherwise described in that reservation;
  - (d) "type of reservation" specifies the obligation referred to in paragraph 1 for which a reservation is taken;
  - (e) "level of government" indicates the level of government maintaining the measure for which a reservation is taken;
  - (f) "measures" identifies the laws or other measures as qualified, where indicated, by the "description" element for which the reservation is taken. A "measure" cited in the "measures" element:
    - (i) means the measure as amended, continued or renewed as of the date of entry into force of this Agreement;
    - (ii) includes any subordinate measure adopted or maintained under the authority of and consistent with the measure; and
    - (iii) in respect of the Schedule of the Union, includes any laws or other measures which implement a directive at Member State level; and
  - (g) "description" sets out the non-conforming aspects of the existing measure for which the reservation is taken,
4. For greater certainty, if a Party adopts a new measure at a level of government different to that at which the reservation was originally taken, and this new measure effectively replaces - within the territory to which it applies - the non-conforming aspect of the original measure cited in the "measures" element, the new measure shall be deemed to constitute "modification" to the original measure within the meaning of point (c) of Article 133(1), point (c) of Article 139(1), point (c) of Article 144 and point (c) of Article 195(1) of this Agreement,
5. In the interpretation of a reservation, all elements of the reservation shall be considered. A reservation shall be interpreted in the light of the relevant obligations of the Chapters or Sections against which the reservation is taken. The "measures" element shall prevail over all other elements.
6. For the purposes of the Schedules of the United Kingdom and the Union:
  - (a) "ISIC Rev. 3.1" means the International Standard Industrial Classification of All Economic Activities as set out in Statistical

Office of the United Nations, Statistical Papers, Series M, No.4, ISIC Rev. 3.1, 2002;

(b) "CPC" means the Provisional Central Product Classification (Statistical Papers, Series M No. 77, Department of International Economic and Social Affairs, Statistical Office of the United Nations, New York, 1991).

7. For the purposes of the Schedules of the United Kingdom and the Union, a reservation for a requirement to have a local presence in the territory of the Union or the United Kingdom is taken against Article 136 of this Agreement, and not against Article 135 or 137 of this Agreement. Furthermore, such a requirement is not taken as a reservation against Article 129 of this Agreement.

8. A reservation taken at the level of the Union applies to a measure of the Union, to a measure of a Member State at the central level or to a measure of a government within a Member State, unless the reservation excludes a Member State. A reservation taken by a Member State applies to a measure of a government at the central, regional or local level within that Member State. For the purposes of the reservations of Belgium, the central level of government covers the federal government and the governments of the regions and the communities as each of them holds equipollent legislative powers. For the purposes of the reservations of the Union and its Member States, a regional level of government in Finland means the Aland Islands. A reservation taken at the level of the United Kingdom applies to a measure of the central government, a regional government or a local government.

9. The list of reservations below does not include measures relating to qualification requirements and procedures, technical standards and licensing requirements and procedures where they do not constitute a limitation within the meaning of Article 128, 129, 135, 136, 137 or 194 of this Agreement. These measures may include, in particular, the need to obtain a licence, to satisfy universal service obligations, to have recognised qualifications in regulated sectors, to pass specific examinations, including language examinations, to fulfil a membership requirement of a particular profession, such as membership in a professional organisation, to have a local agent for service, or to maintain a local address, or any other non-discriminatory requirements that certain activities may not be carried out in protected zones or areas. While not listed, such measures continue to apply.

10. For greater certainty, for the Union, the obligation to grant national treatment does not entail the requirement to extend to natural or legal persons of the United Kingdom the treatment granted in a Member State, pursuant to the Treaty on the Functioning of the European Union, or any measure adopted pursuant to that Treaty, including their implementation in the Member States, to:

(i) natural persons or residents of another Member State; or

(ii) legal persons constituted or organised under the law of another Member State or of the Union and having their registered office, central administration or principal place of business in the Union,

11. Treatment granted to legal persons established by investors of a Party in accordance with the law of the other Party (including, in the case of the Union, the law of a Member State) and having their registered office, central administration or principal place of business within that other Party, is without prejudice to any condition or obligation, consistent with Chapter 2 of Title II of Heading One of Part Two of this Agreement, which may have been imposed on such legal person when it was established in that other Party, and which shall continue to apply.

12. The Schedules apply only to the territories of the United Kingdom and the Union in accordance with Article 520(2) and Article 774 of this Agreement and are only relevant in the context of trade relations between the Union and its Member States with the United Kingdom. They do not affect the rights and obligations of the Member States under Union law.

13. For greater certainty, non-discriminatory measures do not constitute a market access limitation within the meaning of Article 128, 135 or 194 of this Agreement for any measure:

(a) requiring the separation of the ownership of infrastructure from the ownership of the goods or services provided through that infrastructure to ensure fair competition, for example in the fields of energy, transportation and telecommunications;

(b) restricting the concentration of ownership to ensure fair competition;

(c) seeking to ensure the conservation and protection of natural resources and the environment, including a limitation on the availability, number and scope of concessions granted, and the imposition of a moratorium or ban;

(d) limiting the number of authorisations granted because of technical or physical constraints, for example telecommunications spectra and frequencies; or

(e) requiring that a certain percentage of the shareholders, owners, partners, or directors of an enterprise be qualified or

practice a certain profession such as lawyers or accountants.

14. With respect to financial services: Unlike foreign subsidiaries, branches established directly in a Member State by a non-European Union financial institution are not, with certain limited exceptions, subject to prudential regulations harmonised at Union level which enable such subsidiaries to benefit from enhanced facilities to set up new establishments and to provide cross-border services throughout the Union. Therefore, such branches receive an authorisation to operate in the territory of a Member State under conditions equivalent to those applied to domestic financial institutions of that Member State, and may be required to satisfy a number of specific prudential requirements such as, in the case of banking and securities, separate capitalisation and other solvency requirements and reporting and publication of accounts requirements or, in the case of insurance, specific guarantee and deposit requirements, a separate capitalisation, and the localisation in the Member State concerned of the assets representing the technical reserves and at least one third of the solvency margin.

The following abbreviations are used in the list of reservations below:

UK United Kingdom

EU European Union, including all its Member States

AT Austria

BE Belgium

BG Bulgaria

CY Cyprus

CZ Czechia

DE Germany

DK Denmark

EE Estonia

EL Greece

ES Spain

FI Finland

FR France

HR Croatia

HU Hungary

IE Ireland

IT Italy

LT Lithuania

LU Luxembourg

LV Latvia

MT Malt

NL The Netherlands

PL Poland

PT Portugal

RO Romana

SE Sweden

SI Slovenia

SK Slovak Republic

## Schedule of the Union

Reservation No. 1 - All sectors

Reservation No. 2 - Professional services (except health-related professions)

Reservation No. 3 - Professional services (health related and retail of pharmaceutical)

Reservation No. 4 - Research and development services

Reservation No. 5 - Real estate services

Reservation No. 6 - Business services

Reservation No. 7 - Communication services

Reservation No. 8 - Construction Services

Reservation No. 9 - Distribution services

Reservation No. 10 - Education services

Reservation No. 11 - Environmental services

Reservation No. 12 - Financial Services

Reservation No. 13 - Health services and social services

Reservation No. 14 - Tourism and travel related services

Reservation No. 15 - Recreational, cultural and sporting services

Reservation No. 16 - Transport services and services auxiliary to transport services

Reservation No. 17 - Energy related activities

Reservation No. 18 - Agriculture, fishing and manufacturing

Reservation No. 1 - All sectors

Sector: All sectors

Type of reservation: Market access

National treatment

Most-favoured-nation treatment

Performance requirements

Senior management and boards of directors

Obligations for legal services

Chapter/Section: Investment liberalisation; Cross-border trade in services and Regulatory framework for legal services

Level of government: EU/Member State (unless otherwise specified)

Description:

(a) Type of establishment

With respect to Investment liberalisation – National treatment and Regulatory framework for legal services – Obligations:

The EU: Treatment granted pursuant to the Treaty on the Functioning of the European Union to legal persons formed in accordance with the law of the Union or of a Member State and having their registered office, central administration or principal place of business within the Union, including those established in the Union by investors of the United Kingdom, is

not accorded to legal persons established outside the Union, nor to branches or representative offices of such legal persons, including to branches or representative offices of legal persons of the United Kingdom.

Treatment less favourable may be accorded to legal persons formed in accordance with the law of the Union or of a Member State which have only their registered office in the Union, unless it can be shown that they possess an effective and continuous link with the economy of one of the Member States.

Measures:

EU: Treaty on the Functioning of the European Union.

With respect to Investment liberalisation – Market access, National treatment, Senior management and boards of directors:

This reservation applies only to health, social or education services:

The EU (applies also to the regional level of government): Any Member State, when selling or disposing of its equity interests in, or the assets of, an existing state enterprise or an existing governmental entity providing health, social or education services (CPC 93, 92), may prohibit or impose limitations on the ownership of such interests or assets, and/or restrict the ability of owners of such interests and assets to control any resulting enterprise, with respect to investors of the United Kingdom or their enterprises. With respect to such a sale or other disposition, any Member State may adopt or maintain any measure relating to the nationality of senior management or members of the boards of directors, as well as any measure limiting the number of suppliers.

For the purposes of this reservation:

(i) any measure maintained or adopted after the date of entry into force of this Agreement that, at the time of the sale or other disposition, prohibits or imposes limitations on the ownership of equity interests or assets or imposes nationality requirements or imposes limitations on the numbers of suppliers as described in this reservation shall be deemed to be an existing measure; and

(ii) "state enterprise" means an enterprise owned or controlled through ownership interests by any Member State and includes an enterprise established after the date of entry into force of this Agreement solely for the purposes of selling or disposing of equity interests in, or the assets of, an existing state enterprise or governmental entity.

Measures:

EU: As set out in the description element as indicated above.

With respect to Investment liberalisation – National Treatment and Regulatory framework for legal services – Obligations

In AT: For the operation of a branch, non-European Economic Area (non-EEA) corporations must appoint at least one person responsible for its representation who is resident in Austria.

Executives (managing directors, natural persons) responsible for the observance of the Austrian Trade Act (Gewerbeordnung) must be domiciled in Austria.

In BG: Foreign legal persons, unless established under the legislation of a Member State of the European Economic Area (EEA), may conduct business and pursue activities if established in the Republic of Bulgaria in the form of a company registered in the Commercial Register. Establishment of branches is subject to authorisation.

Representative offices of foreign enterprises are to be registered with Bulgarian Chamber of Commerce and Industry and may not engage in economic activity but are only entitled to advertise their owner and act as representatives or agents.

In EE: If the residence of at least half of the members of the management board of a private limited company, a public limited company or a branch is not in Estonia, in another Member State of the EEA or in the Swiss Confederation, the private limited company, the public limited company or the foreign company shall appoint a point of contact whose Estonian address can be used for the delivery of the procedural documents of the undertaking and the declarations of intent addressed to the undertaking (i.e. the branch of a foreign company).

With respect to Investment liberalisation – National treatment; Cross-border trade in services – Market access and Regulatory framework for legal services – Obligations:

In FI: At least one of the partners in a general partnership or of general partners in a limited partnership needs to have residency in the EEA or, if the partner is a legal person, be domiciled (no branches allowed) in the EEA. Exemptions may be granted by the registration authority.

To carry on trade as a private entrepreneur, residency in the EEA is required.

If a foreign organisation from a country outside the EEA intends to carry on a business or trade by establishing a branch in Finland, a trade permit is required.

Residency in the EEA is required for at least one of the ordinary and one of the deputy members of the board of directors and for the managing director. Company exemptions may be granted by the registration authority.

In SE: A foreign company, which has not established a legal entity in Sweden or is conducting its business through a commercial agent, shall conduct its commercial operations through a branch, registered in Sweden, with independent management and separate accounts. The managing director and the vice-managing director, if appointed, of the branch, must reside in the EEA. A natural person not resident in the EEA, who conducts commercial operations in Sweden, shall appoint and register a resident representative responsible for the operations in Sweden. Separate accounts shall be kept for the operations in Sweden. The competent authority may in individual cases grant exemptions from the branch and residency requirements. Building projects with duration of less than a year, conducted by a company located or a natural person residing outside the EEA, are exempted from the requirements of establishing a branch or appointing a resident representative.

For limited liability companies and co-operative economic associations, at least 50 per cent of the members of the board of directors, at least 50 per cent of the deputy board members, the managing director, the vice-managing director, and at least one of the persons authorised to sign for the company, if any, must reside within the EEA. The competent authority may grant exemptions from this requirement. If none of the company's or society's representatives reside in Sweden, the board must appoint and register a person resident in Sweden, who has been authorised to receive servings on behalf of the company or society.

Corresponding conditions prevail for establishment of all other types of legal entities.

In SK: A foreign natural person whose name is to be registered in the appropriate register (Commercial register, Entrepreneurial or other professional register) as a person authorised to act on behalf of an entrepreneur is required to submit a residence permit for Slovakia.

Measures:

AT: Aktiengesetz, BGBl. Nr. 98/1965, § 254 (2);

GmbH-Gesetz, RGBl. Nr. 58/1906, § 107 (2); and Gewerbeordnung, BGBl. Nr. 194/1994, § 39 (2a).

BG: Commercial Law, Article 17a; and

Law for Encouragement of Investments, Article 24.

EE: Äriseadustik (Commercial Code) § 631 (1, 2 and 4).

FI: Laki elinkeinon harjoittamisen oikeudesta (Act on the Right to Carry on a Trade) (122/1919), s. 1;

Osuuskuntalaki (Co-Operatives Act) 1488/2001;

Osakeyhtiölaki (Limited Liabilities Company Act) (624/2006); and

Laki luottolaitostoiminnasta (Act on Credit Institutions) (121/2007).

SE: Lag om utländska filialer m.m (Foreign Branch Offices Act) (1992:160);

Aktiebolagslagen (Companies Act) (2005:551);

The Co-operative Economic Associations Act (2018:672); and Act on European Economic Interest Groupings (1994:1927).

SK: Act 513/1991 on Commercial Code (Article 21); Act 455/1991 on Trade Licensing; and

Act no 404/2011 on Residence of Aliens (Articles 22 and 32).

With respect to Investment liberalisation – Market Access, National Treatment, Performance requirements and Regulatory framework for legal services – Obligations:

In BG: Established enterprises may employ third country nationals only for positions for which there is no requirement for Bulgarian nationality. The total number of third country nationals employed by an established enterprise over a period of



the preceding 12 months must not exceed 20 percent (35 percent for small and medium-sized enterprises) of the average number of Bulgarian nationals, nationals of other Member States, of states parties to the Agreement on the EEA or of the Swiss Confederation hired on an employment contract. In addition, the employer must demonstrate that there is no suitable Bulgarian, EU, EEA or Swiss worker for the respective position by conducting a labour market test before employing a third country national.

For highly qualified, seasonal and posted workers, as well as for intra-corporate transferees, researchers and students there is no limitation on the number of third country nationals working for a single enterprise. For the employment of third country nationals in these categories, no labour market test is required.

Measures:

BG: Labour Migration and Labour Mobility Act.

With respect to Investment liberalisation – Market access, National treatment:

In PL: The scope of operations of a representative office may only encompass advertising and promotion of the foreign parent company represented by the office. For all sectors except legal services, establishment by non-European Union investors and their enterprises may only be in the form of a limited partnership, limited joint-stock partnership, limited liability company, and joint-stock company, while domestic investors and enterprises have access also to the forms of non-commercial partnership companies (general partnership and unlimited liability partnership).

Measures:

PL: Act of 6 March 2018 on rules regarding economic activity of foreign entrepreneurs and other foreign persons in the territory of the Republic of Poland.

(b) Acquisition of real estate

With respect to Investment liberalisation – National treatment:

In AT (applies to the regional level of government): The acquisition, purchase and rental or leasing of real estate by non-European Union natural persons and enterprises requires authorisation by the competent regional authorities (Länder). Authorisation will only be granted if the acquisition is considered to be in the public (in particular economic, social and cultural) interest.

In CY: Cypriots or persons of Cypriot origin, as well as nationals of a Member State, are allowed to acquire any property in Cyprus without restrictions. A foreigner shall not acquire, otherwise than mortis causa, any immovable property without obtaining a permit from the Council of Ministers. For foreigners, where the acquisition of immovable property exceeds the extent necessary for the erection of a premises for a house or professional roof, or otherwise exceeds the extent of two donums (2,676 square meter), any permit granted by the Council of Ministers shall be subject to such terms, limitations, conditions and criteria which are set by Regulations made by the Council of Ministers and approved by the House of Representatives. A foreigner is any person who is not a citizen of the Republic of Cyprus, including a foreign controlled company. The term does not include foreigners of Cypriot origin or non-Cypriot spouses of citizens of the Republic of Cyprus.

In CZ: Specific rules apply to agricultural land under state ownership. State agricultural land can be acquired only by Czech nationals, nationals of another Member State, or states parties to the Agreement on the EEA or the Swiss Confederation. Legal persons can acquire state agriculture land from the state only if they are agricultural entrepreneurs in the Czech Republic or persons with similar status in other Member State of the European Union, or states parties to the Agreement on the EEA or the Swiss Confederation.

In DK: Natural persons who are not resident in Denmark, and who have not previously been resident in Denmark for a total period of five years, must in accordance with the Danish Acquisition Act obtain permission from the Ministry of Justice to acquire title to real property in Denmark. This also applies for legal persons that are not registered in Denmark. For natural persons, acquisition of real property will be permitted if the applicant is going to use the real property as his or her primary residence.

For legal persons that are not registered in Denmark, acquisition of real property will in general be permitted, if the acquisition is a prerequisite for the business activities of the purchaser. Permission is also required if the applicant is going to use the real property as a secondary dwelling. Such permission will only be granted if the applicant through an overall and concrete assessment is regarded to have particular strong ties to Denmark.

Permission under the Acquisition Act is only granted for the acquisition of a specific real property. The acquisition of

agricultural land by natural or legal persons is in addition governed by the Danish Agricultural Holdings Act, which imposes restrictions on all persons, Danish or foreign, when acquiring agricultural property. Accordingly, any natural or legal person, who wishes to acquire agricultural real property, must fulfil the requirements in this Act. This generally means a limited residence requirement on the agricultural holding applies. The residence requirement is not personal. Legal entities must be of the types listed in §20 and §21 of the act and must be registered in the Union (or EEA).

In EE: A legal person from an OECD Member State has the right to acquire an immovable which contains:

(i) less than ten hectares of agricultural land, forest land or agricultural and forest land in total without restrictions.

(ii) ten hectares or more of agricultural land if the legal person has been engaged, for three years immediately preceding the year of making the transaction of acquisition of the immovable, in production of agricultural products listed in Annex I to the Treaty on the Functioning of the European Union, except fishery products and cotton (hereinafter agricultural product).

(iii) ten hectares or more of forest land if the legal person has been engaged, for three years immediately preceding the year of making the transaction of acquisition of the immovable, in forest management within the meaning of the Forest Act (hereinafter forest management) or production of agricultural products.

(iv) less than ten hectares of agricultural land and less than ten hectares of forest land, but ten hectares or more of agricultural and forest land in total, if the legal person has been engaged, for three years immediately preceding the year of making the transaction of acquisition of the immovable, in production of agricultural products or forest management.

If a legal person does not meet the requirements provided for in (ii)–(iv), the legal person may acquire an immovable which contains ten hectares or more of agricultural land, forest land or agricultural and forest land in total only with the authorisation of the council of the local government of the location of the immovable to be acquired.

Restrictions on acquiring immovable property apply in certain geographical areas for non-EEA nationals.

In EL: Real estate acquisition or tenancy in the border regions is prohibited to natural or legal persons whose nationality or base is outside the Member States and the European Free Trade Association. The ban may be lifted with a discretionary decision taken by a committee of the appropriate Decentralized Administration (or the Minister of National Defense in case the properties to be exploited belong to the Fund for the Exploitation of Private Public Property).

In HR: Foreign companies are only allowed to acquire real estate for the supply of services if they are established and incorporated in Croatia as legal persons. Acquisition of real estate necessary for the supply of services by branches requires the approval of the Ministry of Justice. Agricultural land cannot be acquired by foreigners.

In MT: Non-nationals of a Member State may not acquire immovable property for commercial purposes. Companies with 25 per cent (or more) of non-European Union shareholding must obtain an authorisation from the competent authority (Minister responsible for Finance) to buy immovable property for commercial or business purposes. The competent authority will determine whether the proposed acquisition represents a net benefit to the Maltese economy.

In PL: The acquisition of real estate, direct and indirect, by foreigners requires a permit. A permit is issued through an administrative decision by a minister competent in internal affairs, with the consent of the Minister of National Defence, and in the case of agricultural real estate, also with the consent of the Minister of Agriculture and Rural Development.

Measures:

AT: Burgenländisches Grundverkehrsgesetz, LGBL. Nr. 25/2007;

Kärntner Grundverkehrsgesetz, LGBL. Nr. 9/2004;

NÖ- Grundverkehrsgesetz, LGBL. 6800;

OÖ- Grundverkehrsgesetz, LGBL. Nr. 88/1994;

Salzburger Grundverkehrsgesetz, LGBL. Nr. 9/2002;

Steiermärkisches Grundverkehrsgesetz, LGBL. Nr. 134/1993;

Tiroler Grundverkehrsgesetz, LGBL. Nr. 61/1996; Voralberger Grundverkehrsgesetz, LGBL. Nr. 42/2004; and

Wiener Ausländergrundverkehrsgesetz, LGBL. Nr. 11/1998.

CY: Immovable Property Acquisition (Aliens) Law (Chapter 109), as amended.

CZ: Act No. 503/2012, Coll. on State Land Office as amended.

DK: Danish Act on Acquisition of Real Property (Consolidation Act No. 265 of 21 March 2014 on Acquisition of Real Property); Acquisition Executive Order (Executive Order No. 764 of 18 September 1995); and The Agricultural Holdings Act (Consolidation Act No. 27 of 4 January 2017).

EE: Kinnisasja omandamise kitsendamise seadus (Restrictions on Acquisition of Immovables Act) Chapter 2 § 4, Chapter 3§ 10, 2017.

EL: Law 1892/1990, as it stands today, in combination, as far as the application is concerned, with the ministerial decision F.110/3/330340/S.120/7-4-14 of the Minister of National Defense and the Minister of Citizen Protection.

HR: Ownership and other Proprietary Rights Act (OG 91/96, 68/98, 137/99, 22/00, 73/00, 129/00, 114/01, 79/06, 141/06, 146/08, 38/09, 143/12, 152/14), Articles 354 to 358.b; Agricultural Land Act (OG 20/18, 115/18, 98/19) Article 2; General Administrative Procedure Act.

MT: Immovable Property (Acquisition by Non-Residents) Act (Cap. 246); and Protocol No 6 of the EU Accession Treaty on the acquisition of secondary residences in Malta.

PL: Law of 24th March 1920 on the Acquisition of Real Estate by Foreigners (Journal of Laws of 2016, item 1061 as amended).

With respect to Investment liberalisation – Market access, National treatment:

In HU: The purchase of real estate by non-residents is subject to obtaining authorisation from the appropriate administrative authority responsible for the geographical location of the property.

Measures:

HU: Government Decree No. 251/2014 (X. 2.) on the Acquisition by Foreign Nationals of Real Estate other than Land Used for Agricultural or Forestry Purposes; and Act LXXVIII of 1993 (Paragraph 1/A).

With respect to Investment liberalisation – Market access, National treatment, Most-favoured nation treatment:

In LV: Acquisition of urban land by nationals of the United Kingdom is permitted through legal persons registered in Latvia or other Member States:

(i) if more than 50 per cent of their equity capital is owned by nationals of Member States, the Latvian Government or a municipality, separately or in total;

(ii) if more than 50 per cent of their equity capital is owned by natural persons and companies of third country with whom Latvia has concluded bilateral agreements on promotion and reciprocal protection of investments and which have been approved by the Latvian Parliament before 31 December 1996;

(iii) if more than 50 per cent of their equity capital is possessed by natural persons and companies of third country with whom Latvia has concluded bilateral agreements on promotion and reciprocal protection of investments after 31 December 1996, if in those agreements the rights of Latvian natural persons and companies on acquisition of land in the respective third country have been determined;

(iv) if more than 50 per cent of their equity capital is possessed jointly by persons referred to in points (i) to (iii); or

(v) which are public joint stock companies, if their shares thereof are quoted in the stock exchange.

Where the United Kingdom allows Latvian nationals and enterprises to purchase urban real estate in their territories, Latvia will allow nationals and enterprises of the United Kingdom to purchase urban real estate in Latvia under the same conditions as Latvian nationals.

Measures:

LV: Law on land reform in the cities of the Republic of Latvia, Section 20 and 21.

With respect to Investment liberalisation - National treatment, Most-favoured-nation treatment:

In DE: Certain conditions of reciprocity may apply for the acquisition of real estate.

In ES: Foreign investment in activities directly relating to real estate investments for diplomatic missions by states that are not Member States requires an administrative authorisation from the Spanish Council of Ministers, unless there is a

reciprocal liberalisation agreement in place.

In RO: Foreign nationals, stateless persons and legal persons (other than nationals and legal persons of a Member State of the EEA) may acquire property rights over lands, under the conditions regulated by international treaties, based on reciprocity. Foreign nationals, stateless persons and legal persons may not acquire the property right over lands under more favourable conditions than those applicable to natural or legal persons of the European Union.

Measures:

DE: Einführungsgesetz zum Bürgerlichen Gesetzbuche (EGBGB; Introductory Law to the Civil Code).

ES: Royal Decree 664/1999 of 23 April 1999 relating to foreign investment.

RO: Law 17/2014 on some measures regulating the selling-buying agricultural land situated outside town and amending; and

Law No 268/2001 on the privatization of companies that own land in public ownership and private management of the state for agricultural and establishing the State Domains Agency, with subsequent amendments.

Reservation No. 2 - Professional services (except health-related professions)

Sector – sub-sector: Professional services – legal services; patent agent, industrial property agent, intellectual property attorney; accounting and bookkeeping services; auditing services, taxation advisory services; architecture and urban planning services, engineering services and integrated engineering services

Industry classification: CPC 861, 862, 863, 8671, 8672, 8673, 8674, part of 879

Type of reservation: Market access

National treatment

Most-favoured-nation treatment

Senior management and boards of directors

Local presence

Obligations for legal Services

Chapter/Section: Investment liberalisation, Cross-border trade in services and Regulatory framework for legal services

Level of government: EU/Member State (unless otherwise specified)

Description:

(a) Legal services (part of CPC 861) (1)

With respect to Investment liberalisation – Market access – and Regulatory framework for legal services – Obligations

In EU: Specific non-discriminatory legal form requirements apply in each Member State.

(i) Designated legal services supplied under the home professional title (part of CPC 861 – legal advisory, arbitration, conciliation and mediation services with regard to home-jurisdiction and international law governed by Section 7 of Chapter 5 of Title II of Heading One of Part Two of this Agreement).

For greater certainty, consistent with the Headnotes, in particular paragraph 9, requirements to register with a Bar may include a requirement to have completed some training under the supervision of a licensed lawyer, or to have an office or a postal address within the jurisdiction of a specific Bar in order to be eligible to apply for membership in that Bar. Some Member States may impose the requirement of having the right to practise host-jurisdiction law on those natural persons holding certain positions within a law firm/company/enterprise or for shareholders.

With respect to Investment liberalisation – Market access, National treatment and Cross-border trade in services – National treatment, Market access and Regulatory framework for legal services – Obligations:

In AT: EEA or Swiss nationality as well as residency (commercial presence) is required for the practice of legal services in respect of host jurisdiction (Union and Member State) law, including representation before courts. Only lawyers of EEA or Swiss nationality are allowed to provide legal services through commercial presence. The practice of legal services in respect

of public international law and home-jurisdiction law is only allowed on a cross-border basis.

Equity participation and shares in the operating result of any law firm by foreign lawyers (who must be fully qualified in their home-jurisdiction) is allowed up to 25 per cent; the rest must be held by fully qualified EEA or Swiss lawyers and only the latter may exercise decisive influence in the decision making of the law firm.

In BE: (with respect also to Most-favoured-nation treatment) Foreign lawyers may practise as legal consultants. Lawyers who are members of foreign (non-EU) Bars and want to establish in Belgium but do not meet the conditions for registration on the Tableau of fully qualified lawyers, on the EU-list or on the List of Trainee Lawyers, may request registration on the so-called "B-List". Only at the Brussels Bar there exists such a "B-List". A lawyer on the B-list is allowed to supply designated legal services.

In BG: (with respect also to Most-favoured-nation treatment): Permanent residency is required for legal mediation services. A mediator may be only a person who has been entered in the Uniform Register of Mediators with the Minister of Justice.

In Bulgaria, full national treatment on the establishment and operation of companies, as well as on the supply of services, may be extended only to companies established in, and citizens of, countries with whom bilateral agreements on mutual legal assistance have been or will be concluded.

In CY: EEA or Swiss nationality as well as residency (commercial presence) is required. Only advocates enrolled in the Bar may be partners or shareholders or members of the board of directors in a law company in Cyprus.

In CZ: For foreign lawyers residence (commercial presence) is required.

In DE: For foreign lawyers (with other than EEA and Swiss qualification) there may be restrictions for holding shares of a lawyers company which provides legal services in host-jurisdiction law.

In DK: Without prejudice to the EU reservation above, shares of a law firm can only be owned by advocates who actively practise law in the firm, its parent company or its subsidiary company, other employees in the firm, or another law firm registered in Denmark. Other employees in the firm may collectively only own less than 10 per cent of the shares and of the voting rights, and in order to be shareholders they must pass an exam on the rules of particular importance for the practice of law.

Only advocates who actively practise law in the firm, its parent company or its subsidiary company, other shareholders, and representatives of employees, may be members of the board. The majority of the members of the board must be advocates who actively practise law in the firm, its parent company or its subsidiary company. Only advocates who actively practise law in the firm, its parent company or its subsidiary company, and other shareholders having passed the exam mentioned above, may be a director of the law firm.

In ES: Professional address is required in order to provide designated legal services.

In FR, Residency or establishment in the EEA is required to practise on a permanent basis. Without prejudice to the EU reservation above: For all lawyers, company must take one of the following legal forms authorised under French law on a non-discriminatory basis: SCP (société civile professionnelle), SEL (société d'exercice libéral), SEP (société en participation), SARL (société à responsabilité limitée), SAS (société par actions simplifiée), SA (société anonyme), SPE (société pluriprofessionnelle d'exercice) and "association", under certain conditions. Shareholders, directors and partners may be subject to specific restrictions related to their professional activity.

In HR: Only a lawyer who has the Croatian title of lawyer can establish a law firm (UK firms can establish branches, which may not employ Croatian lawyers).

In HU: A cooperation contract concluded with a Hungarian attorney (ügyvéd) or law firm (ügyvédi iroda) is required. A foreign legal adviser cannot be a member of a Hungarian law firm. A foreign lawyer is not authorized for the preparation of documents to be submitted to, or act as the client's legal representative before an arbitrator, conciliator or mediator in any dispute.

In PT (with respect also to Most-favoured-nation treatment): Foreigners holding a diploma awarded by any Faculty of Law in Portugal, may register with the Portuguese Bar (Ordem dos Advogados), under the same terms as Portuguese nationals, if their respective country grants Portuguese nationals reciprocal treatment.

Other foreigners holding a Degree in Law which has been acknowledged by a Faculty of Law in Portugal may register as members of the Bar Association provided they undergo the required training and pass the final assessment and admission exam.

Legal consultation is allowed by jurists, provided they have their professional residence ("domiciliação") in PT, pass an admission exam and are registered in the Bar.

In RO: A foreign lawyer may not make oral or written conclusions before the courts and other judicial bodies, except for international arbitration.

In SE: (with respect also to Most-favoured-nation treatment) Without prejudice to the EU reservation above: A member of the Swedish Bar Association may not be employed by anyone other than a Bar member or a company conducting the business of a Bar member. However, a Bar member may be employed by a foreign company conducting the business of an advocate, provided that the company in question is domiciled in a country within the Union, the EEA or the Swiss Confederation. Subject to an exemption from the Board of the Swedish Bar Association, a member of the Swedish Bar Association may also be employed by a non-European Union law firm.

Bar members conducting their practice in the form of a company or a partnership may not have any other objective and may not carry out any other business than the practice of an advocate. Collaboration with other advocate businesses is permitted, however, collaboration with foreign businesses requires permission by the Board of the Swedish Bar Association. Only a Bar member may directly or indirectly, or through a company, practise as an advocate, own shares in the company or be a partner. Only a member may be a member or deputy member of the Board or deputy managing director, or an authorised signatory or secretary of the company or the partnership.

In SI: (with respect also to Most-favoured-nation treatment) A foreign lawyer who has the right to practise home-jurisdiction law may supply legal services or practise law under the conditions laid down in Article 34a of the Attorneys Act, provided the condition of actual reciprocity is fulfilled. Without prejudice to the EU reservation on non-discriminatory legal form requirements, commercial presence for appointed attorneys by the Slovene Bar Association is restricted to sole proprietorship, law firm with limited liability (partnership) or to a law firm with unlimited liability (partnership) only. The activities of a law firm shall be restricted to the practice of law. Only attorneys may be partners in a law firm.

In SK: For non-EU lawyers actual reciprocity is required.

(ii) Other legal services (host-jurisdiction law including legal advisory, arbitration, conciliation and mediation services and legal representational services).

For greater certainty, consistent with the Headnotes, in particular paragraph 9, requirements to register with a Bar may include a requirement to have obtained a law degree in the host jurisdiction or its equivalent, or to have completed some training under the supervision of a licensed lawyer, or to have an office or a postal address within the jurisdiction of a specific Bar in order to be eligible to apply for membership in that Bar.

With respect to Investment liberalisation – Market access, National treatment and Cross-border trade in services – National treatment, Local presence:

In EU: Representation of natural or legal persons before the European Union Intellectual Property Office (EUIPO) may only be undertaken by a legal practitioner qualified in one of the Member States of the EEA and having their place of business within the EEA, to the extent that they are entitled, within the said Member State, to act as a representative in trade mark matters or in industrial property matters and by professional representatives whose names appear on the list maintained for this purpose by the EUIPO. (Part of CPC 861)

In AT: EEA or Swiss nationality as well as residency (commercial presence) is required for the practice of legal services in respect of host jurisdiction (Union and Member State) law, including representation before courts. Only lawyers of EEA or Swiss nationality are allowed to provide legal services through commercial presence. The practice of legal services in respect of public international law and home-jurisdiction law is only allowed on a cross-border basis.

Equity participation and shares in the operating result of any law firm by foreign lawyers (who must be fully qualified in their home-jurisdiction) is allowed up to 25 per cent; the rest must be held by fully qualified EEA or Swiss lawyers and only the latter may exercise decisive influence in the decision making of the law firm.

In BE: (with respect also to Most-favoured-nation treatment) Residency is required for full admission to the Bar, including for representation before courts. The residency requirement for a foreign lawyer to obtain full admission to the Bar is at least six years from the date of application for registration, three years under certain conditions. Requirement to have a certificate issued by the Belgian Minister of Foreign Affairs under which the national law or international convention allows reciprocity (reciprocity condition).

Foreign lawyers may practise as legal consultants. Lawyers who are members of foreign (non-EU) Bars and want to establish in Belgium but do not meet the conditions for registration on the Tableau of fully qualified lawyers, on the EU-list or on the

List of Trainee Lawyers, may request registration on the so-called "B-List". Only at the Brussels Bar there exists such a "B-List". A lawyer on the B-list is allowed to give advice. Representation before "the Cour de Cassation" is subject to nomination on a specific list.

In BG: (with respect also to Most-favoured-nation treatment) Reserved to nationals of a Member State, of another State which is a party to the Agreement on the EEA, or of the Swiss Confederation who has been granted authorisation to pursue the profession of lawyer according to the legislation of any of the aforementioned countries. A foreign national (except for the above mentioned) who has been authorised to pursue the profession of lawyer in accordance with the legislation of his or her own country, may appeal before judicial bodies of the Republic of Bulgaria as defence-counsel or mandatary of a national of his or her own country, acting on a specific case, together with a Bulgarian attorney-at-law, in cases where this has been envisaged in an agreement between the Bulgarian and the respective foreign state, or on the basis of mutuality, making a preliminary request to this effect to the Chairperson of the Supreme Bar Council. Countries, in respect of which mutuality exists, shall be designated by the Minister of Justice, upon request of the Chairperson of the Supreme Bar Council. In order to provide legal mediation services, a foreign national must have a permit for long-term or permanent residence in the Republic of Bulgaria and has been entered in the Uniform Register of Mediators with the Minister of Justice.

In CY: EEA or Swiss nationality as well as residency (commercial presence) is required. Only advocates enrolled in the Bar may be partners or shareholders or members of the board of directors in a law company in Cyprus.

In CZ: For foreign lawyers full admission to the Czech Bar Association and residence (commercial presence) is required.

In DE: Only lawyers with EEA or Swiss qualification may be admitted to the Bar and are thus entitled to provide legal services. Commercial presence is required in order to obtain full admission to the Bar. Exemptions may be granted by the competent bar association. For foreign lawyers (with other than EEA and Swiss qualification) there may be restrictions for holding shares of a lawyers company which provides legal services in domestic law.

In DK: Legal services provided under the title "advokat" (advocate) or any similar title, as well as representation before the courts, is reserved for advocates with a Danish license to practise. EU, EEA and Swiss advocates may practise under the title of their country of origin.

Without prejudice to the EU reservation on non-discriminatory legal form requirements, shares of a law firm can only be owned by advocates who actively practise law in the firm, its parent company or its subsidiary company, other employees in the firm, or another law firm registered in Denmark. Other employees in the firm may collectively only own less than 10 per cent of the shares and of the voting rights, and in order to be shareholders they must pass an exam on the rules of particular importance for the practice of law.

Only advocates who actively practise law in the firm, its parent company or its subsidiary company, other shareholders, and representatives of employees, may be members of the board. The majority of the members of the board must be advocates who actively practise law in the firm, its parent company or its subsidiary company. Only advocates who actively practise law in the firm, its parent company or its subsidiary company, and other shareholders having passed the exam mentioned above, may be a director of the law firm.

In EE: Residency (commercial presence) is required.

In EL: EEA or Swiss nationality and residency (commercial presence) is required

In ES: EEA or Swiss nationality is required. The competent authorities may grant nationality waivers.

In FI: EEA or Swiss residency and Bar membership is required for the use of the professional title of "advocate" (in Finnish "asianajaja" or in Swedish "advokat"). Legal services may also be provided by non-Bar members.

In FR: Without prejudice to the EU reservation on non-discriminatory legal form requirements, residency or establishment in the EEA is required for full admission to the Bar, necessary for the practice of legal services. In a law firm, shareholding and voting rights may be subject to quantitative restrictions related to the professional activity of the partners. Representation before "the Cour de Cassation" and "Conseil d'Etat" is subject to quotas and reserved for FR and EU nationals.

For all lawyers, company must take one of the following legal forms authorised under French law on a non-discriminatory basis: SCP (société civile professionnelle), SEL (société d'exercice libéral), SEP (société en participation), SARL (société à responsabilité limitée), SAS (société par actions simplifiée), SA (société anonyme), SPE (société pluriprofessionnelle d'exercice) and "association", under certain conditions. Residency or establishment in the EEA is required to practise on a permanent basis.

In HR: European Union nationality is required.

In HU: EEA or Swiss nationality and residency (commercial presence) is required.

In LT: (With respect also to Most-favoured-nation treatment) EEA or Swiss nationality and residency (commercial presence) is required.

Attorneys from foreign countries can practise as advocates in court only in accordance with international agreements, including specific provisions regarding representation before courts. Full admission to the Bar is required.

In LU (with respect also to Most-favoured-nation treatment): EEA or Swiss nationality and residency (commercial presence) is required. The Council of the Order may, on the basis of reciprocity, agree to waive the nationality requirement for a foreign national.

In LV (with respect also to Most-favoured-nation treatment): EEA or Swiss nationality is required. Attorneys from foreign countries can practise as advocates in court only in accordance with bilateral agreements on mutual legal assistance.

For European Union or foreign advocates, special requirements exist. For example, participation in court proceedings in criminal cases is only permitted in association with an advocate of the Latvian Collegium of Sworn Advocates.

In MT: EEA or Swiss nationality as well as residency (commercial presence) is required.

In NL: Only locally-licensed lawyers registered in the Dutch registry can use the title "advocate". Instead of using the full term "advocate", (non-registered) foreign lawyers are obliged to mention their home-jurisdiction professional organisation for the purposes of their activities in the Netherlands.

In PT (with respect also to Most-favoured-nation treatment): residency (commercial presence) is required. For representation before courts, full admission to the Bar is required. Foreigners holding a diploma awarded by any Faculty of Law in Portugal, may register with the Portuguese Bar (Ordem dos Advogados), under the same terms as Portuguese nationals, if their respective country grants Portuguese nationals reciprocal treatment.

Other foreigners holding a Degree in Law which has been acknowledged by a Faculty of Law in Portugal may register as members of the Bar Association provided they undergo the required training and pass the final assessment and admission exam. Only law firms where the shares belong exclusively to lawyers admitted to the Portuguese Bar can practise in Portugal.

In RO: A foreign lawyer may not make oral or written conclusions before the courts and other judicial bodies, except for international arbitration.

In SE: (with respect also to Most-favoured-nation treatment) EEA or Swiss residency is required for admission to the Bar and use of the title "advokat". Exemptions may be granted by the board of the Swedish Bar Association. Admission to the Bar is not necessary for the practice of Swedish law.

Without prejudice to the EU reservation on non-discriminatory legal form requirements, a member of the Swedish Bar Association may not be employed by anyone other than a Bar member or a company conducting the business of a Bar member. However, a Bar member may be employed by a foreign company conducting the business of an advocate, provided that the company in question is domiciled in a country within the EEA or the Swiss Confederation. Subject to an exemption from the Board of the Swedish Bar Association, a member of the Swedish Bar Association may also be employed by a non-European Union law firm.

Bar members conducting their practice in the form of a company or a partnership may not have any other objective and may not carry out any other business than the practice of an advocate. Collaboration with other advocate businesses is permitted, however, collaboration with foreign businesses requires permission by the Board of the Swedish Bar Association. Only a Bar member may directly or indirectly, or through a company, practise as an advocate, own shares in the company or be a partner. Only a member may be a member or deputy member of the Board or deputy managing director, or an authorised signatory or secretary of the company or the partnership.

In SI: (with respect also to Most-favoured-nation treatment) Representing clients before the court against payment is conditioned by commercial presence in Republic of Slovenia. A foreign lawyer who has the right to practise home-jurisdiction law may perform legal services or practise law under the conditions laid down in Article 34a of the Attorneys Act, provided the condition of actual reciprocity is fulfilled.

Without prejudice to the EU reservation on non-discriminatory legal form requirements, commercial presence for appointed attorneys by the Slovene Bar Association is restricted to sole proprietorship, law firm with limited liability (partnership) or to a law firm with unlimited liability (partnership) only. The activities of a law firm shall be restricted to the practice of law. Only attorneys may be partners in a law firm.



In SK: (with respect also to Most-favoured-nation treatment) EEA nationality as well as residency (commercial presence) is required for the practice of legal services in respect of host-jurisdiction law, including representation before courts. For non-EU lawyers actual reciprocity is required.

Measures:

EU: Article 120 of Regulation (EU) 2017/1001 of the European Parliament and of the Council (2); Article 78 of Council Regulation (EC) No 6/2002 of 12 December 2001 (3).

AT: Rechtsanwaltsordnung (Lawyers Act) - RAO, RGBl. Nr. 96/1868, Article 1 and § 21c.

BE: Belgian Judicial Code (Articles 428-508); Royal Decree of 24 August 1970.

BG: Attorney Law; Law for Mediation; and Law for the Notaries and Notarial Activity.

CY: Advocates Law (Chapter 2), as amended.

CZ: Act No. 85/1996 Coll., the Legal Profession Act.

DE: § 59e, § 59f, § 206 Bundesrechtsanwaltsordnung (BRAO; Federal Lawyers Act);

Gesetz über die Tätigkeit europäischer Rechtsanwälte in Deutschland (EuRAG); and § 10 Rechtsdienstleistungsgesetz (RDG).

DK: Retsplejeloven (Administration of Justice Act) chapters 12 and 13 (Consolidated Act No. 1284 of 14 November 2018).

EE: Advokatuuriseadus (Bar Association Act);

Tsiviilkohtumenetluse seadustik (Code of Civil Procedure); halduskohtumenetluse seadustik (Code of Administrative Court Procedure); kriminaalmenetluse seadustik (Code of Criminal Procedure); and väärteomenetluse seadustik (Code of Misdemeanour Procedure).

EL: New Lawyers' Code n. 4194/2013.

ES: Estatuto General de la Abogacía Española, aprobado por Real Decreto 658/2001, Article 13.1a.

FI: Laki asianajajista (Advocates Act) (496/1958), ss. 1 and 3; and Oikeudenkäymiskaari (4/1734) (Code of Judicial Procedure).

FR: Loi 71-1130 du 31 décembre 1971, Loi 90-1259 du 31 décembre 1990, décret 91-1197 du 27 novembre 1991, and Ordonnance du 10 septembre 1817 modifiée.

HR: Legal Profession Act (OG 9/94, 117/08, 75/09, 18/11).

HU: ACT LXXVIII of 2017 on the professional activities of Attorneys at Law.

LT: Law on the Bar of the Republic of Lithuania of 18 March 2004 No. IX-2066 as last amended on 12 December 2017 by law No XIII-571.

LU: Loi du 16 décembre 2011 modifiant la loi du 10 août 1991 sur la profession d'avocat.

LV: Criminal Procedure Law, s. 79; and Advocacy Law of the Republic of Latvia, s. 4.

MT: Code of Organisation and Civil Procedure (Cap. 12).

NL: Advocatenwet (Act on Advocates).

PT: Law 145/2015, 9 set., alterada p/ Lei 23/2020, 6 jul. (art.o 194 substituído p/ art.o 201.o; e art.o 203.o substituído p/ art.o 213.o).

Portuguese Bar Statute (Estatuto da Ordem dos Advogados) and Decree-Law 229/2004, Articles 5, 7 - 9;

Decree-law 88/2003, Articles 77 and 102;

Solicitadores Public Professional Association Statute (Estatuto da Câmara dos Solicitadores), as amended by Law 49/2004, mas alterada p/ Lei 154/2015, 14 set; by Law 14/2006 and by Decree-Law n.o 226/2008 alterado p/ Lei 41/2013, 26 jun;

Law 78/2001, Articles 31, 4 Alterada p/ Lei 54/2013, 31 jul.;

Regulation of family and labour mediation (Ordinance 282/2010), alterada p/ Portaria 283/2018, 19 out;

Law 21/2007 on criminal mediation, Article 12;

Law 22/2013, 26 fev., alterada p/ Lei 17/2017, 16 maio, alterada pelo Decreto-Lei 52/2019, 17 abril.

RO: Attorney Law;

Law for Mediation; and

Law for the Notaries and the Notarial Activity.

SE: Rättegångsbalken (The Swedish Code of Judicial Procedure) (1942:740); and Swedish Bar Association Code of Conduct adopted 29 August 2008.

SI: Zakon o odvetništvu (Neuradno prečiščeno besedilo-ZOdv-NPB8 Državnega Zbora RS z dne 7 junij 2019 (Attorneys Act) unofficial consolidated text prepared by the Slovenian parliament from 7 June 2019).

SK: Act 586/2003 on Advocacy, Articles 2 and 12.

With respect to Investment liberalisation - Market access, National treatment:

In PL: Foreign lawyers may establish only in the form of a registered partnership, a limited partnership or a limited joint-stock partnership.

Measures:

PL: Act of 5 July 2002 on the provision by foreign lawyers of legal assistance in the Republic of Poland, Article 19.

With respect to Cross-Border Trade in Services – Market access

In IE, IT: Residency (commercial presence) is required for the practice of legal services in respect of host-jurisdiction law, including representation before courts.

Measures:

IE: Solicitors Acts 1954-2011.

IT: Royal Decree 1578/1933, Article 17 law on the legal profession.

(b) Patent agents, industrial property agents, intellectual property attorneys (part of CPC 879, 861, 8613)

With respect to Investment liberalisation – Market access, National treatment and Cross-border trade in services – Local presence:

In AT: EEA or Swiss nationality is required for the practice of patent agency services, residency there is required.

In BG, and CY: EEA or Swiss nationality is required for the practice of patent agency services. In CY, residency is required.

In DE: Only patent lawyers having German qualifications may be admitted to the Bar and are thus entitled to provide patent agent services in Germany in domestic law. Foreign patent lawyers can offer legal services in foreign law when they prove expert knowledge, registration is required for legal services in Germany. Foreign (other than EEA and Swiss qualification) patent lawyers may not establish a firm together with national patent lawyers.

Foreign (other than EEA and Swiss) patent lawyers may have their commercial presence only in the form of a Patentanwalts-GmbH or Patentanwalts-AG by acquiring a minority share.

In EE: Estonian or EU nationality as well as permanent residency is required for the practice of patent agency services.

In ES and PT: EEA nationality is required for the practice of industrial property agent services.

In FR: To be registered on the industrial property agent services list, establishment or residency in the EEA is required. EEA nationality is required for natural persons. To represent a client in front of the national intellectual property office, establishment in the EEA is required. Provision only through SCP (société civile professionnelle), SEL (société d'exercice libéral) or any other legal form, under certain conditions. Irrespective of the legal form, more than half of shares and voting rights must be held by EEA professionals. Law firms may be entitled to provide industrial property agent services (see reservation for legal services).

With respect to Cross-border trade in services – Local presence:

In FI and HU: EEA residency is required for the practice of patent agency services.

In SI: Residency in Slovenia is required for a holder/applicant of registered rights (patents, trademarks, design protection). Alternatively, a patent agent or a trademark and design agent registered in Slovenia is required for the main purpose of services of process, notification, etc.

Measures:

AT: Patent Attorney Act (§§ 2 and 16a).

BG: Article 4 of the Ordinance for Representatives regarding Intellectual Property.

CY: Advocates Law (Chapter 2), as amended.

DE: Patentanwaltsordnung (PAO).

EE: Patendivoliniku seadus (Patent Agents Act) § 2, § 14.

ES: Ley 11/1986, de 20 de marzo, de Patentes de Invención y Modelos de utilidad, Articles 155-157.

FI: Tavaramerkkilaki (Trademarks Act) (7/1964);

Laki auktorisoiduista teollisoikeusasiamiehistä (Act on Authorised Industrial Property Attorneys) (22/2014); and

Laki kasvinjalostajanoikeudesta (Plant Breeder's Right Act) 1279/2009; and Mallioikeuslaki (Registered Designs Act) 221/1971.

FR: Code de la propriété intellectuelle.

HU: Act XXXII of 1995 on Patent Attorneys.

PT: Decree-Law 15/95, as modified by Law 17/2010, by Portaria 1200/2010, Article 5, and by Portaria 239/2013; and Law 9/2009.

SI: Zakon o industrijski lastnini (Industrial Property Act), Uradni list RS, št. 51/06 – uradno prečiščeno besedilo in 100/13 and 23/20 (Official Gazette of the Republic of Slovenia, No. 51/06 – official consolidated text 100/13 and 23/20).

With respect to Investment liberalisation – National treatment and Cross-border trade in services – National Treatment, Local presence:

In IE: For establishment, at least one of the directors, partners, managers or employees of a company to be registered as a patent or intellectual property attorney in Ireland. Cross-border basis requires EEA nationality and commercial presence, principal place of business in an EEA Member State, qualification under the law of an EEA Member State.

Measures:

IE: Section 85 and 86 of the Trade Marks Act 1996, as amended;

Rule 51, Rule 51A and Rule 51B of the Trade Marks Rules 1996, as amended; Section 106 and 107 of the Patent Act 1992, as amended; and Register of Patent Agent Rules S.I. 580 of 2015.

(c) Accounting and bookkeeping services (CPC 8621 other than auditing services, 86213, 86219, 86220)

With respect to Investment liberalisation – Market access, National treatment and Cross-border trade in services – Local presence:

In AT: The capital interests and voting rights of foreign accountants, bookkeepers, qualified according to the law of their home country, in an Austrian enterprise may not exceed 25 per cent. The service supplier must have an office or professional seat in the EEA (CPC 862).

In FR: Establishment or residency is required. Provision through any company form except SNC (Société en nom collectif) and SCS (Société en commandite simple). Specific conditions apply to SEL (sociétés d'exercice libéral), AGC (Association de gestion et comptabilité) and SPE (Société pluri-professionnelle d'exercice). (CPC 86213, 86219, 86220).

In IT: Residence or business domicile is required for enrolment in the professional register, which is necessary for the provision of accounting and bookkeeping services (CPC 86213, 86219, 86220).

In PT: (with respect also to Most-favoured-nation treatment): Residence or business domicile is required for enrolment in the professional register by the Chamber of Certified Accountants (Ordem dos Contabilistas Certificados), which is necessary for the provision of accounting services, provided that there is reciprocal treatment for Portuguese nationals.

Measures:

AT: Wirtschaftstreuhandberufsgesetz (Public Accountant and Auditing Profession Act, BGBl.

I Nr. 58/1999), § 12, § 65, § 67, § 68 (1) 4; and

Bilanzbuchhaltungsgesetz (BibuG), BGBl. I Nr. 191/2013, §§ 7, 11, 28.

FR: Ordonnance 45-2138 du 19 septembre 1945.

IT: Legislative Decree 139/2005; and Law 248/2006.

PT: Decree-Law n.º452/99, changed by Law n.º 139/2015, september 7th.

With respect to Cross-border trade in services – Local presence:

In SI: Establishment in the European Union is required in order to provide accounting and bookkeeping services (CPC 86213, 86219, 86220).

Measures:

SI: Act on services in the internal market, Official Gazette RS No 21/10.

(d) Auditing services (CPC – 86211, 86212 other than accounting and bookkeeping services)

With respect to Investment liberalisation – National treatment, Most-favoured nation treatment and Cross-border trade in services – National treatment, Most-favoured nation treatment:

In EU: Supply of statutory auditing services requires approval by the competent authorities of a Member State that may recognise the equivalence of the qualifications of an auditor who is a national of the United Kingdom or of any third country subject to reciprocity (CPC 8621).

Measures:

EU: Directive 2013/34/EU of the European Parliament and of the Council (4); and Directive 2006/43/EC of the European Parliament and of the Council (5).

With respect to Investment liberalisation – Market access:

In BG: Non-discriminatory legal form requirements may apply.

Measures:

BG: Independent Financial Audit Act.

With respect to Investment liberalisation – Market access, National treatment, and Cross-border trade in services – Local presence:

In AT: The capital interests and voting rights of foreign auditors, qualified according to the law of their home country, in an Austrian enterprise may not exceed 25 per cent. The service supplier must have an office or professional seat in the EEA.

Measures:

AT: Wirtschaftstreuhandberufsgesetz (Public Accountant and Auditing Profession Act, BGBl.

I Nr. 58/1999), § 12, § 65, § 67, § 68 (1) 4.

With respect to Investment liberalisation – Market access and Cross-border trade in services – Local presence:

In DK: Provision of statutory auditing services requires Danish approval as an auditor. Approval requires residency in a Member State of the EEA. Voting rights in approved audit firms of auditors and audit firms not approved in accordance with regulation implementing the Directive 2006/43/EC based on Article 54(3)(g) of the Treaty on statutory audit must not exceed 10 per cent of the voting rights.

In FR: (with respect also to Most-favoured-nation treatment) For statutory audits: establishment or residency is required. British nationals may provide statutory auditing services in France, subject to reciprocity. Provision through any company form except those in which partners are considered to be traders ("commerçants"), such as SNC (Société en nom collectif) and SCS (Société en commandite simple).

In PL: Establishment in the European Union is required in order to provide auditing services.

Legal form requirements apply.

Measures:

DK: Revisorloven (The Danish Act on Approved Auditors and Audit Firms), Act No. 1287 of 20/11/2018.

FR: Code de commerce

PL: Act of 11 May 2017 on statutory auditors, audit firms and public oversight - Journal of Laws of 2017, item 1089.

With respect to Investment liberalisation – Market access, National treatment and Cross-border trade in services – Market access, National treatment:

In CY: Authorisation is required, subject to an economic needs test. Main criteria: the employment situation in the sub-sector. Professional associations (partnerships) between natural persons are permitted.

In SK: Only an enterprise in which at least 60 per cent of capital interests or voting rights are reserved to Slovak nationals or nationals of a Member State may be authorised to carry out audits in the Slovak Republic.

Measures:

CY: Auditors Law of 2017 (Law 53(I)/2017).

SK: Act No. 423/2015 on Statutory audit.

With respect to Investment liberalisation – Market access and Cross-border trade in services – National treatment, Local presence:

In DE: Auditing companies ("Wirtschaftsprüfungsgesellschaften") may only adopt legal forms admissible within the EEA. General partnerships and limited commercial partnerships may be recognised as "Wirtschaftsprüfungsgesellschaften" if they are listed as trading partnerships in the commercial register on the basis of their fiduciary activities, Article 27 WPO. However, auditors from third countries registered in accordance with Article 134 WPO may carry out the statutory audit of annual fiscal statements or provide the consolidated financial statements of a company with its headquarters outside the Union, whose transferable securities are offered for trading in a regulated market.

Measures:

DE: Handelsgesetzbuch (HGB; Code of Commercial Law);

Gesetz über eine Berufsordnung der Wirtschaftsprüfer (Wirtschaftsprüferordnung - WPO; Public Accountant Act).

With respect to Investment liberalisation – National treatment and Cross-border trade in services – National treatment:

In ES: statutory auditors must be a national of a Member State. This reservation does not apply to the auditing of non-European Union companies listed in a Spanish regulated market.

Measures:

ES: Ley 22/2015, de 20 de julio, de Auditoría de Cuentas (new Auditing Law: Law 22/2015 on Auditing services).

With respect to Investment liberalisation – Market access, National treatment:

In EE: Legal form requirements apply. The majority of the votes represented by the shares of an audit firm shall belong to sworn auditors subject to supervision of a competent authority of a EEA Member State, who have acquired their qualification in an EEA Member State, or to audit firms. At least three-fourths of the persons representing an audit firm on the basis of law shall have acquired their qualifications in an EEA Member State.

Measures:

EE: Auditors Activities Act (Audiitortegevuse seadus) § 76-77

With respect to Investment liberalisation – National treatment, Most-favoured nation treatment and Cross-border trade in services – Local presence:

In SI Commercial presence is required. A third country audit entity may hold shares or form partnerships in Slovenian audit company provided that, under the law of the country in which the third-country audit entity is incorporated, Slovenian audit companies may hold shares or form partnership in an audit entity in that country (reciprocity requirement).

Measures:

SI: Auditing Act (ZRev-2), Official Gazette RS No 65/2008 (as last amended No 84/18); and Companies Act (ZGD-1), Official Gazette RS No 42/2006 (as last amended No 22/19 - ZPosS).

With respect to Cross-border trade in services – Local presence:

In BE: An establishment in Belgium is required where the professional activity will take place and where acts, documents and correspondence relating to it will be maintained, and to have at least one administrator or manager of the establishment approved as auditor.

In FI: EEA residency required for at least one of the auditors of a Finnish Limited Liability company and of companies which are under the obligation to carry out an audit. An auditor must be a locally-licensed auditor or a locally-licensed audit firm.

In HR: Auditing services may be provided only by legal persons established in Croatia or by natural persons resident in Croatia.

In IT: Residency is required for the provision of auditing services by natural persons.

In LT: Establishment in the EEA is required for the provision of auditing services.

In SE: Only auditors approved in Sweden and auditing firms registered in Sweden may perform statutory auditing services. EEA residency is required. The titles of "approved auditor" and "authorised auditor" may only be used by auditors approved or authorised in Sweden. Auditors of co-operative economic associations and certain other enterprises who are not certified or approved accountants must be resident within the EEA, unless the Government, or a Government authority appointed by the Government, in a particular case allows otherwise.

Measures:

BE: Law of December 7th 2016 on the organization of the profession and the public supervision of auditors (Public Audit Act).

FI: Tilintarkastuslaki (Auditing Act) (459/2007), Sectoral laws requiring the use of locally licensed auditors.

HR: Audit Act (OG 146/05, 139/08, 144/12), Article 3.

IT: Legislative Decree 58/1998, Articles 155, 158 and 161;

Decree of the President of the Republic 99/1998; and Legislative Decree 39/2010, Article 2.

LT: Law on Audit of 15 June 1999 No. VIII -1227 (a new version of 3 July 2008 No. X1676).

SE: Revisorslagen (Auditors Act) (2001:883);

Revisionslag (Auditing Act) (1999:1079);

Aktiebolagslagen (Companies Act) (2005:551);

Lag om ekonomiska föreningar (The Co-operative Economic Associations Act) (2018:672); and

Others, regulating the requirements to make use of approved auditors.

(e) Taxation advisory services (CPC 863, not including legal advisory and legal representational services on tax matters, which are to be found legal services)

With respect to Investment liberalisation – Market access, National treatment and Cross-border trade in services – Local presence:

In AT: The capital interests and voting rights of foreign tax advisors, qualified according to the law of their home country, in an Austrian enterprise may not exceed 25 per cent. The service supplier must have an office or professional seat in the EEA.

Measures:

AT: Wirtschaftstreuhandberufsgesetz (Public Accountant and Auditing Profession Act, BGBl.

I Nr. 58/1999), § 12, § 65, § 67, § 68 (1) 4.

With respect to Investment liberalisation – Market access and Cross-border trade in services – Local presence:

In FR: Establishment or residency is required. Provision through any company form except SNC (Société en nom collectif) and SCS (Société en commandite simple). Specific conditions apply to SEL (sociétés d'exercice libéral), AGC (Association de gestion et comptabilité) and SPE (Société pluri-professionnelle d'exercice).

Measures:

FR: Ordonnance 45-2138 du 19 septembre 1945.

With respect to Investment liberalisation – National treatment and Cross-border trade in services – National treatment:

In BG: Nationality of a Member State is required for tax advisors.

Measures:

BG: Accountancy Act;

Independent Financial Audit Act; Income Taxes on Natural Persons Act; and Corporate Income Tax Act.

With respect to Cross-border trade in services – Local presence:

In HU: EEA residency is required for the supply of taxation advisory services.

In IT: Residency is required.

Measures:

HU: Act 150 of 2017 on taxing; Government Decree 2018/263 on the registration and training of taxation advisory activities.

IT: Legislative Decree 139/2005; and Law 248/2006.

(f) Architecture and urban planning services, engineering and integrated engineering services (CPC 8671, 8672, 8673, 8674)

With respect to Investment liberalisation – Market access:

In FR: An architect may only establish in France in order to provide architectural services using one of the following legal forms (on a non-discriminatory basis): SA et SARL (sociétés anonymes, à responsabilité limitée), EURL (Entreprise unipersonnelle à responsabilité limitée), SCP (en commandite par actions), SCOP (Société coopérative et participative), SELARL (société d'exercice libéral à responsabilité limitée), SELAFA (société d'exercice libéral à forme anonyme), SELAS (société d'exercice libéral) or SAS (Société par actions simplifiée), or as individual or as a partner in an architectural firm (CPC 8671).

Measures:

FR: Loi 90-1258 relative à l'exercice sous forme de société des professions libérales; Décret 95-129 du 2 février 1995 relatif à l'exercice en commun de la profession d'architecte sous forme de société en participation;

Décret 92-619 du 6 juillet 1992 relatif à l'exercice en commun de la profession d'architecte sous forme de société d'exercice libéral à responsabilité limitée SELARL, société d'exercice libéral à forme anonyme SELAFA, société d'exercice libéral en commandite par actions SELCA; and Loi 77-2 du 3 janvier 1977.

With respect to Investment liberalisation – Market access, National treatment and Cross-border trade in services – Market access, National treatment:

In BG: Residency in the EEA or the Swiss Confederation is required for architecture, urban planning and engineering services provided by natural persons.

Measures:

BG: Spatial Development Act;

Chamber of Builders Act; and

Chambers of Architects and Engineers in Project Development Design Act.

With respect to Investment liberalisation – National treatment and Cross-border trade in services – National treatment:

In HR: A design or project created by a foreign architect, engineer or urban planner must be validated by an authorised natural or legal person in Croatia with regard to its compliance with Croatian Law (CPC 8671, 8672, 8673, 8674).

Measures:

HR: Act on Physical Planning and Building Activities (OG 118/18, 110/19)

Physical Planning Act (OG 153/13, 39/19).

With respect to Investment liberalisation – Market access, National treatment and Cross-border trade in services – National treatment, Local presence:

In CY: Nationality and residency condition applies for the provision of architecture and urban planning services, engineering and integrated engineering services (CPC 8671, 8672, 8673, 8674).

Measures:

CY: Law 41/1962 as amended; Law 224/1990 as amended; and Law 29(I)2001 as amended.

With respect to Cross-border trade in services – Local presence:

In CZ: Residency in the EEA is required.

In HU: EEA residency is required for the supply of the following services, insofar as they are being supplied by a natural person present in the territory of Hungary: architectural services, engineering services (only applicable to graduate trainees), integrated Engineering services and landscape architectural services (CPC 8671, 8672, 8673, 8674).

In IT: residency or professional domicile/business address in Italy is required for enrolment in the professional register, which is necessary for the exercise of architectural and engineering services (CPC 8671, 8672, 8673, 8674).

In SK: Residency in the EEA is required for registration in the professional chamber, which is necessary for the exercise of architectural and engineering services (CPC 8671, 8672, 8673, 8674).

Measures:

CZ: Act no. 360/1992 Coll. on practice of profession of authorised architects and authorised engineers and technicians working in the field of building constructions.

HU: Act LVIII of 1996 on the Professional Chambers of Architects and Engineers.

IT: Royal Decree 2537/1925 regulation on the profession of architect and engineer; Law 1395/1923; and

Decree of the President of the Republic (D.P.R.) 328/2001.

SK: Act 138/1992 on Architects and Engineers, Articles 3, 15, 15a, 17a and 18a.

With respect to Cross-border trade in services – Market access, National treatment:

In BE: the provision of architectural services includes control over the execution of the works (CPC 8671, 8674). Foreign architects authorised in their host countries and wishing to practice their profession on an occasional basis in Belgium are required to obtain prior authorisation from the Council of Order in the geographical area where they intend to practice their activity.

Measures:

BE: Law of February 20, 1939 on the protection of the title of the architect's profession; and

Law of 26th June 1963, which creates the Order of Architects Regulations of December 16th, 1983 of ethics established by national Council in the Order of Architects (Approved by Article 1st of A.R. of April 18th, 1985, M.B., May 8th, 1985).

Reservation No. 3 - Professional services (health related and retail of pharmaceuticals)



Sector – sub-sector: Professional services – medical (including psychologists) and dental services; midwives, nurses, physiotherapists and paramedical personnel; veterinary services; retail sales of pharmaceutical, medical and orthopaedic goods and other services provided by pharmacists

Industry classification: CPC 9312, 93191, 932, 63211

Type of reservation: Market access

National treatment

Most-favoured-nation treatment

Senior management and boards of directors

Local presence

Chapter/Section: Investment Liberalisation and Cross-Border Trade in Services

Description:

(a) Medical, dental, midwives, nurses, physiotherapists and para-medical services (CPC 852, 9312, 93191)

With respect to Investment liberalisation – National treatment, Most favoured nation treatment and Cross-border trade in services – National treatment, Most favoured nation treatment:

In IT: European Union nationality is required for the services provided by psychologists, foreign professionals may be allowed to practice based on reciprocity (part of CPC 9312).

Measures:

IT: Law 56/1989 on the psychologist profession.

With respect to Investment liberalisation – Market access, National treatment and Cross-border trade in services – Market Access, National treatment, Local presence:

In CY: Cypriot nationality and residency condition applies for the provision of medical (including psychologists), dental, midwives, nurses, physiotherapists and para-medical services.

Measures:

CY: Registration of Doctors Law (Chapter 250) as amended;

Registration of Dentists Law (Chapter 249) as amended;

Law 75(I)/2013 - Podologists;

Law 33(I)/2008 as amended- Medical Physics;

Law 34(I)/2006 as amended - Occupational Therapists;

Law 9(I)/1996 as amended - Dental Technicians;

Law 68(I)/1995 as amended - Psychologists;

Law 16(I)/1992 as amended - Opticians;

Law 23(I)/2011 as amended - Radiologists/Radiotherapists;

Law 31(I)/1996 as amended - Dieticians/Nutritionists;

Law 140/1989 as amended - Physiotherapists; and

Law 214/1988 as amended - Nurses.

With respect to Investment liberalisation – Market Access and Cross-border trade in services – Market access, Local presence:

In DE (applies also to the regional level of government): Geographical restrictions may be imposed on professional registration, which apply to nationals and non-nationals alike.

Doctors (including psychologists, psychotherapists, and dentists) need to register with the regional associations of statutory health insurance physicians or dentists (kassenärztliche or kassenzahnärztliche Vereinigungen), if they wish to treat patients insured by the statutory sickness funds. This registration can be subject to quantitative restrictions based on the regional distribution of doctors. For dentists this restriction does not apply. Registration is necessary only for doctors participating in the public health scheme. Non-discriminatory restrictions on the legal form of establishment required to provide these services may exist (§ 95 SGB V).

For midwives services, access is restricted to natural persons only. For medical and dental services, access is possible for natural persons, licensed medical care centres and mandated bodies. Establishment requirements may apply.

Regarding telemedicine, the number of ICT (information and communications technology) - service suppliers may be limited to guarantee interoperability, compatibility and necessary safety standards. This is applied in a non-discriminatory way (CPC 9312, 93191).

Measures:

Bundesärzteordnung (BÄO; Federal Medical Regulation);

Gesetz über die Ausübung der Zahnheilkunde (ZHG);

Gesetz über den Beruf der Psychotherapeutin und des Psychotherapeuten (PsychThG; Act on the Provision of Psychotherapy Services);

Gesetz über die berufsmäßige Ausübung der Heilkunde ohne Bestallung (Heilpraktikergesetz);

Gesetz über das Studium und den Beruf von Hebammen(HebG);

Gesetz über die Pflegeberufe (PflBG);

Sozialgesetzbuch Fünftes Buch (SGB V; Social Code, Book Five) - Statutory Health Insurance.

Regional level:

Heilberufekammergesetz des Landes Baden-Württemberg;

Gesetz über die Berufsausübung, die Berufsvertretungen und die Berufsgerichtsbarkeit der Ärzte, Zahnärzte, Tierärzte, Apotheker sowie der Psychologischen Psychotherapeuten und der Kinder- und Jugendlichenpsychotherapeuten (Heilberufe-Kammergesetz - HKaG) in Bayern;

Berliner Heilberufekammergesetz (BlNHKG);

Heilberufsgesetz Brandenburg (HeilBerG);

Bremisches Gesetz über die Berufsvertretung, die Berufsausübung, die Weiterbildung und die Berufsgerichtsbarkeit der Ärzte, Zahnärzte, Psychotherapeuten, Tierärzte und Apotheker (Heilberufsgesetz - HeilBerG);

Heilberufsgesetz Mecklenburg-Vorpommern (Heilberufsgesetz M-V – HeilBerG);

Heilberufsgesetz (HeilBG NRW);

Heilberufsgesetz (HeilBG Rheinland-Pfalz);

Gesetz über die öffentliche Berufsvertretung, die Berufspflichten, die Weiterbildung und die Berufsgerichtsbarkeit der Ärzte/ Ärztinnen, Zahnärzte/ Zahnärztinnen, psychologischen Psychotherapeuten/ Psychotherapeutinnen und Kinder- und Jugendlichenpsychotherapeuten/psychotherapeutinnen, Tierärzte/Tierärztinnen und Apotheker/Apothekerinnen im Saarland (Saarländisches Heilberufekammergesetz - SHKG);

Gesetz über Berufsausübung, Berufsvertretungen und Berufsgerichtsbarkeit der Ärzte, Zahnärzte, Tierärzte, Apotheker sowie der Psychologischen Psychotherapeuten und der Kinder und Jugendlichenpsychotherapeuten im Freistaat (Sächsisches Heilberufekammergesetz – SächsHKaG)and Thüringer Heilberufegesetz.

With respect to Investment liberalisation – Market access, National treatment and Cross-border trade in services – Market access, Local presence:

In FR: While other types of legal form are also available for Union investors, foreign investors only have access to the legal

forms of "société d'exercice libéral"(SEL) and "société civile professionnelle" (SCP). For medical, dental and midwives services, French nationality is required. However, access by foreigners is possible within annually established quotas. For medical, dental and midwives services and services by nurses, provision through SEL à forme anonyme, à responsabilité limitée par actions simplifiée ou en commandite par actions SCP, société coopérative (for independent general and specialised practitioners only) or société interprofessionnelle de soins ambulatoires (SISA) for multidisciplinary health home (MSP) only.

Measures:

FR: Loi 90-1258 relative à l'exercice sous forme de société des professions libérales, Loi n°2011-940 du 10 août 2011 modifiant certaines dispositions de la loi n°2009-879 dite HPST, Loi n°47-1775 portant statut de la coopération; and Code de la santé publique.

With respect to Investment liberalisation – Market access:

In AT: Cooperation of physicians for the purpose of ambulatory public healthcare, so-called group practices, can take place only under the legal form of Offene Gesellschaft/OG or Gesellschaft mit beschränkter Haftung/GmbH. Only physicians may act as associates of such a group practice. They must be entitled to independent medical practice, registered with the Austrian Medical Chamber and actively pursue the medical profession in the practice. Other natural or legal persons may not act as associates of the group practice and may not take share in its revenues or profits (part of CPC 9312).

Measures:

AT: Medical Act, BGBl. I Nr. 169/1998, §§ 52a - 52c;

Federal Act Regulating High Level Allied Health Professions, BGBl. Nr. 460/1992; and Federal Act regulating Medical Masseurs lower and upper level, BGBl. Nr. 169/2002.

(b) Veterinary services (CPC 932)

With respect to Investment liberalisation – Market access, National treatment, Most-favoured nation treatment and Cross-border trade in services – Market access, National treatment, Most-favoured nation treatment:

In AT: Only nationals of a Member State of the EEA may provide veterinary services. The nationality requirement is waived for nationals of a non-Member State of the EEA where there is a Union agreement with that non-Member State of the EEA providing for national treatment with respect to investment and cross-border trade of veterinary services.

In ES: Membership in the professional association is required for the practice of the profession and requires Union nationality, which may be waived through a bilateral professional agreement. The provision of veterinary services is restricted to natural persons.

In FR: EEA nationality is required for the supply of veterinary services, but the nationality requirement may be waived subject to reciprocity. The legal forms available to a company providing veterinary services are limited to SCP (Société civile professionnelle) and SEL (Société d'exercice libéral).

Other legal forms of company provided for by French domestic law or the law of another Member State of the EEA and having their registered office, central administration or principal place of business therein may be authorised, under certain conditions.

Measures:

AT: Tierärztegesetz (Veterinary Act), BGBl. Nr. 16/1975, §3 (2) (3).

ES: Real Decreto 126/2013, de 22 de febrero, por el que se aprueban los Estatutos Generales de la Organización Colegial Veterinaria Española; Articles 62 and 64.

FR: Code rural et de la pêche maritime.

With respect to Investment liberalisation – Market access, National treatment and Cross-border trade in services – National treatment, Local presence:

In CY: Nationality and residency condition applies for the provision of veterinary services.

In EL: EEA or Swiss nationality is required for the supply of veterinary services.

In HR: Only legal and natural persons established in a Member State for the purpose of conducting veterinary activities can

supply cross border veterinary services in the Republic of Croatia. Only Union nationals can establish a veterinary practice in the Republic of Croatia.

In HU: EEA nationality is required for membership of the Hungarian Veterinary Chamber, necessary for supplying veterinary services. Authorisation for establishment is subject to an economic needs test. Main criteria: labour market conditions in the sector.

Measures:

CY: Law 169/1990 as amended.

EL: Presidential Degree 38/2010, Ministerial Decision 165261/IA/2010 (Gov. Gazette 2157/B).

HR: Veterinary Act (OG 83/13, 148/13, 115/18), Articles 3 (67), Articles 105 and 121.

HU: Act CXXVII of 2012 on the Hungarian Veterinary Chamber and on the conditions how to supply Veterinary services.

With respect to Cross-border trade in services – Local presence:

In CZ: Physical presence in the territory is required for the supply of veterinary services.

In IT and PT: Residency is required for the supply of veterinary services.

In PL: Physical presence in the territory is required for the supply of veterinary services to pursue the profession of veterinary surgeon present in the territory of Poland, non- European Union nationals have to pass an exam in Polish language organized by the Polish Chambers of Veterinary Surgeons.

In SI: Only legal and natural persons established in a Member State for the purpose of conducting veterinary activities can supply cross border veterinary services in to the Republic of Slovenia.

With respect to Investment liberalisation – Market acces, and Cross-border trade in services –Market access:

In SK: Residency in the EEA is required for registration in the professional chamber, which is necessary for the exercise of the profession. The provision of veterinary services is restricted to natural persons.

Measures:

CZ: Act No. 166/1999 Coll. (Veterinary Act), §58-63, 39; and

Act No. 381/1991 Coll. (on the Chamber of Veterinary Surgeons of the Czech Republic), paragraph 4.

IT: Legislative Decree C.P.S. 233/1946, Articles 7-9; and

Decree of the President of the Republic (DPR) 221/1950, paragraph 7.

PL: Law of 21st December 1990 on the Profession of Veterinary Surgeon and Chambers of Veterinary Surgeons.

PT: Decree-Law 368/91 (Statute of the Veterinary Professional Association) alterado p/ Lei 125/2015, 3 set.

SI Pravilnik o priznavanju poklicnih kvalifikacij veterinarjev (Rules on recognition of professional qualifications for veterinarians), Uradni list RS, št. (Official Gazette No) 71/2008, 7/2011, 59/2014 in 21/2016, Act on services in the internal market, Official Gazette RS No 21/2010.

SK: Act 442/2004 on Private Veterinary Doctors and the Chamber of Veterinary Doctors, Article 2.

With respect to Investment liberalisation – Market access and Cross-border trade in services – Market access:

In DE (applies also to the regional level of government): The supply of veterinary services is restricted to natural persons. Telemedicine may only be provided in the context of a primary treatment involving the prior physical presence of a veterinary.

In DK and NL: The supply of veterinary services is restricted to natural persons.

In IE: The supply of veterinary services is restricted to natural persons or partnerships.

In LV: The supply of veterinary services is restricted to natural persons.

Measures:

DE: Bundes-Tierärzteordnung (BTÄO; Federal Code for the Veterinary Profession).

Regional level:

Acts on the Councils for the Medical Profession of the Länder (Heilberufs- und Kammergesetze der Länder) and (based on these)

Baden-Württemberg, Gesetz über das Berufsrecht und die Kammern der Ärzte, Zahnärzte, Tierärzte Apotheker, Psychologischen Psychotherapeuten sowie der Kinder- und Jugendlichenpsychotherapeuten (Heilberufe-Kammergesetz - HBKG);

Bayern, Gesetz über die Berufsausübung, die Berufsvertretungen und die Berufsgerichtsbarkeit der Ärzte, Zahnärzte, Tierärzte, Apotheker sowie der Psychologischen Psychotherapeuten und der Kinder- und Jugendlichenpsychotherapeuten (Heilberufe-Kammergesetz - HKaG);

Berliner Heilberufekammergesetz (BlNHKG);

Brandenburg, Heilberufsgesetz (HeilBerG);

Bremen, Gesetz über die Berufsvertretung, die Berufsausübung, die Weiterbildung und die Berufsgerichtsbarkeit der Ärzte, Zahnärzte, Psychotherapeuten, Tierärzte und Apotheker (Heilberufsgesetz - HeilBerG);

Hamburg, Hamburgisches Kammergesetz für die Heilberufe (HmbKGGH);

Hessen, Gesetz über die Berufsvertretungen, die Berufsausübung, die Weiterbildung und die Berufsgerichtsbarkeit der Ärzte, Zahnärzte, Tierärzte, Apotheker, Psychologischen Psychotherapeuten und Kinder- und Jugendlichenpsychotherapeuten (Heilberufsgesetz);

Mecklenburg-Vorpommern, Heilberufsgesetz (HeilBerG);

Niedersachsen, Kammergesetz für die Heilberufe (HKG);

Nordrhein-Westfalen, Heilberufsgesetz NRW (HeilBerG);

Rheinland-Pfalz, Heilberufsgesetz (HeilBG);

Saarland, Gesetz Nr. 1405 über die öffentliche Berufsvertretung, die Berufspflichten, die Weiterbildung und die Berufsgerichtsbarkeit der Ärzte/Ärztinnen, Zahnärzte/Zahnärztinnen,

Tierärzte/Tierärztinnen und Apotheker/Apothekerinnen im Saarland (Saarländisches Heilberufekammergesetz - SHKG);

Sachsen, Gesetz über Berufsausübung, Berufsvertretungen und Berufsgerichtsbarkeit der Ärzte, Zahnärzte, Tierärzte, Apotheker sowie der Psychologischen Psychotherapeuten und der Kinder- und Jugendlichenpsychotherapeuten im Freistaat Sachsen (Sächsisches Heilberufekammergesetz – SächsHKaG);

Sachsen-Anhalt, Gesetz über die Kammern für Heilberufe Sachsen-Anhalt (KGHB-LSA);

Schleswig-Holstein, Gesetz über die Kammern und die Berufsgerichtsbarkeit für die Heilberufe (Heilberufekammergesetz - HBKG);

Thüringen, Thüringer Heilberufegesetz (ThürHeilBG); and

Berufsordnungen der Kammern (Codes of Professional Conduct of the Veterinary Practitioners' Councils).

DK: Lovbekendtgørelse nr. 40 af lov om dyrlæger af 15. januar 2020 (Consolidated act no. 40 of January 15th, 2020, on veterinary surgeons).

IE: Veterinary Practice Act 2005.

LV: Veterinary Medicine Law.

NL: Wet op de uitoefening van de diergeneeskunde 1990 (WUD).

(c) Retail sales of pharmaceuticals, medical and orthopaedic goods and other services provided by pharmacists (CPC 63211)

With respect to Investment liberalisation – Market access, National treatment, Senior management and boards of directors:

In AT: The retail of pharmaceuticals and specific medical goods to the public may only be carried out through a pharmacy.

Nationality of a Member State of the EEA or the Swiss Confederation is required in order to operate a pharmacy. Nationality of a Member State of the EEA or the Swiss Confederation is required for leaseholders and persons in charge of managing a pharmacy.

Measures:

AT: Apothekengesetz (Pharmacy Law), RGBl. Nr. 5/1907 as amended, §§ 3, 4, 12; Arzneimittelgesetz (Medication Act), BGBl. Nr. 185/1983 as amended, §§ 57, 59, 59a; and Medizinproduktegesetz (Medical Products Law), BGBl. Nr. 657/1996 as amended, § 99.

With respect to Investment liberalisation – Market Access, National Treatment:

In DE: Only natural persons (pharmacists) are permitted to operate a pharmacy. Nationals of other countries or persons who have not passed the German pharmacy exam may only obtain a licence to take over a pharmacy which has already existed during the preceding three years. The total number of pharmacies per person is restricted to one pharmacy and up to three branch pharmacies.

In FR: EEA or Swiss nationality is required in order to operate a pharmacy.

Foreign pharmacists may be permitted to establish within annually established quotas. Pharmacy opening must be authorised and commercial presence including sale at a distance of medicinal products to the public by means of information society services, must take one of the legal forms which are allowed under national law on a non-discriminatory basis: société d'exercice libéral (SEL) anonyme, par actions simplifiée, à responsabilité limitée unipersonnelle or pluripersonnelle, en commandite par actions, société en noms collectifs (SNC) or société à responsabilité limitée (SARL) unipersonnelle or pluripersonnelle only.

Measures:

DE: Gesetz über das Apothekenwesen (ApoG; German Pharmacy Act);

Gesetz über den Verkehr mit Arzneimitteln (AMG);

Gesetz über Medizinprodukte (MPG);

Verordnung zur Regelung der Abgabe von Medizinprodukten (MPAV)

FR: Code de la santé publique; and

Loi 90-1258 du 31 décembre 1990 relative à l'exercice sous forme de société des professions libérales and Loi 2015-990 du 6 août 2015.

With respect to Investment liberalisation – National Treatment:

In EL: European Union nationality is required in order to operate a pharmacy.

In HU: EEA nationality is required in order to operate a pharmacy.

In LV: In order to commence independent practice in a pharmacy, a foreign pharmacist or pharmacist's assistant, educated in a state which is not a Member State or a Member State of the EEA, must work for at least one year in a pharmacy in a Member State of the EEA under the supervision of a pharmacist.

Measures:

EL: Law 5607/1932 as amended by Laws 1963/1991 and 3918/2011.

HU: Act XCVIII of 2006 on the General Provisions Relating to the Reliable and Economically Feasible Supply of Medicinal Products and Medical Aids and on the Distribution of Medicinal Products.

LV: Pharmaceutical Law, s. 38.

With respect to Investment liberalisation – Market access:

In BG: Managers of pharmacies must be qualified pharmacists and may only manage one pharmacy in which they themselves work. A quota (not more than 4) exists for the number of pharmacies which may be owned per person in the Republic of Bulgaria.

In DK: Only natural persons, who have been granted a pharmacist licence from the Danish Health and Medicines Authority,

are permitted to provide retail services of pharmaceuticals and specific medical goods to the public.

In ES, HR, HU, and PT: Establishment authorisation is subject to an economic needs test.

Main criteria: population and density conditions in the area.

In IE: The mail order of pharmaceuticals is prohibited, with the exception of non-prescription medicines.

In MT: Issuance of Pharmacy licences under specific restrictions. No person shall have more than one licence in his name in any town or village (Regulation 5(1) of the Pharmacy Licence Regulations (LN279/07)), except in the case where there are no further applications for that town or village (Regulation 5(2) of the Pharmacy Licence Regulations (LN279/07)).

In PT: In commercial companies where the capital is represented by shares, these shall be nominative. A person shall not hold or exercise, at the same time, directly or indirectly, ownership, operation or management of more than four pharmacies.

In SI The network of pharmacies in Slovenia consists of public pharmacy institutions, owned by municipalities, and of private pharmacists with concession where the majority owner must be a pharmacist by profession. Mail order of pharmaceuticals requiring a prescription is prohibited. Mail order of non-prescription medicines requires special state permission.

Measures:

BG: Law on Medicinal Products in Human Medicine, arts. 222, 224, 228.

DK: Apotekerloven (Danish Pharmacy Act) LBK nr. 801 12/06/2018.

ES: Ley 16/1997, de 25 de abril, de regulación de servicios de las oficinas de farmacia (Law 16/1997, of 25 April, regulating services in pharmacies), Articles 2, 3.1; and Real Decreto Legislativo 1/2015, de 24 de julio por el que se aprueba el Texto refundido de la Ley de garantías y uso racional de los medicamentos y productos sanitarios (Ley 29/2006).

HR: Health Care Act (OG 100/18, 125/19).

HU: Act XCVIII of 2006 on the General Provisions Relating to the Reliable and Economically Feasible Supply of Medicinal Products and Medical Aids and on the Distribution of Medicinal Products.

IE: Irish Medicines Boards Acts 1995 and 2006 (No. 29 of 1995 and No. 3 of 2006); Medicinal Products (Prescription and Control of Supply) Regulations 2003, as amended (S.I. 540 of 2003); Medicinal Products (Control of Placing on the Market) Regulations 2007, as amended (S.I. 540 of 2007); Pharmacy Act 2007 (No. 20 of 2007); Regulation of Retail Pharmacy Businesses Regulations 2008, as amended, (S.I. No 488 of 2008).

MT: Pharmacy Licence Regulations (LN279/07) issued under the Medicines Act (Cap. 458).

PT: Decree-Law 307/2007, Articles 9, 14 and 15 Alterado p/ Lei 26/2011, 16 jun., alterada:

— p/ Acórdão TC 612/2011, 24/01/2012,

— p/ Decreto-Lei 171/2012, 1 ago.,

— p/ Lei 16/2013, 8 fev.,

— p/ Decreto-Lei 128/2013, 5 set.,

— p/ Decreto-Lei 109/2014, 10 jul.,

— p/ Lei 51/2014, 25 ago.,

— p/ Decreto-Lei 75/2016, 8 nov.; and Ordinance 1430/2007revogada p/ Portaria 352/2012, 30 out.

SI Pharmacy Services Act (Official Gazette of the RS No. 85/2016, 77/2017, 73/2019); and Medicinal Products Act (Official Gazette of the RS, No. 17/2014, 66/2019).

With respect to Investment liberalisation – Market Access, National treatment, Most-Favoured Nation treatment and Cross-border trade in services – Market access, National treatment:

In IT: The practice of the profession is possible only for natural persons enrolled in the register, as well as for legal persons in the form of partnerships, where every partner of the company must be an enrolled pharmacist. Enrolment in the pharmacist professional register requires nationality of a Member State of the European Union or residency and the

practice of the profession in Italy. Foreign nationals having the necessary qualifications may enrol if they are citizens of a country with whom Italy has a special agreement, authorising the exercise of the profession, under condition of reciprocity (D. Lgs. CPS 233/1946 Articles 7-9 and D.P.R. 221/1950 paragraphs 3 and 7). New or vacant pharmacies are authorised following a public competition. Only nationals of a Member State of the European Union enrolled in the Register of pharmacists ("albo") are able to participate in a public competition.

Establishment authorisation is subject to an economic needs test. Main criteria: population and density conditions in the area.

Measures:

IT: Law 362/1991, Articles 1, 4, 7 and 9; Legislative Decree CPS 233/1946, Articles 7-9; and Decree of the President of the Republic (D.P.R. 221/1950, paragraphs 3 and 7).

With respect to Investment liberalisation – Market Access, National treatment and Cross-border trade in services – Market access, National treatment:

In CY: Nationality requirement applies for the provision of retail sales of pharmaceuticals, medical and orthopaedic goods and other services provided by pharmacists (CPC 63211).

Measures:

CY: Pharmacy and Poisons Law (Chapter 254) as amended.

With respect to Investment liberalisation – Market access and Cross-border services – Market access:

In BG The retail of pharmaceuticals and specific medical goods to the public may only be carried out through a pharmacy. The mail order of pharmaceuticals is prohibited, with the exception of non-prescription medicines.

In EE: The retail of pharmaceuticals and specific medical goods to the public may only be carried out through a pharmacy. Mail order sale of medicinal products as well as delivery by post or express service of medicinal products ordered through the Internet is prohibited. Establishment authorisation is subject to an economic needs test. Main criteria: density conditions in the area.

In EL: Only natural persons, who are licenced pharmacists, and companies founded by licenced pharmacists, are permitted to provide retail services of pharmaceuticals and specific medical goods to the public.

In ES: Only natural persons, who are licenced pharmacists, are permitted to provide retail services of pharmaceuticals and specific medical goods to the public. Each pharmacist cannot obtain more than one licence.

In LU: Only natural persons are permitted to provide retail services of pharmaceuticals and specific medical goods to the public.

In NL: Mail order of medicine is subject to requirements.

Measures:

BG: Law on Medicinal Products in Human Medicine, arts.219, 222, 228, 234(5).

EE: Ravimiseadus (Medicinal Products Act), RT I 2005, 2, 4; § 29 (2) and § 41 (3); and Tervishoiuteenuse korraldamise seadus (Health Services Organisation Act, RT I 2001, 50, 284).

EL: Law 5607/1932 as amended by Laws 1963/1991 and 3918/2011.

ES: Ley 16/1997, de 25 de abril, de regulación de servicios de las oficinas de farmacia (Law 16/1997, of 25 April, regulating services in pharmacies), Articles 2, 3.1; and Real Decreto Legislativo 1/2015, de 24 de julio por el que se aprueba el Texto refundido de la Ley de garantías y uso racional de los medicamentos y productos sanitarios (Ley 29/2006).

LU: Loi du 4 juillet 1973 concernant le régime de la pharmacie (annex a043); Règlement grand-ducal du 27 mai 1997 relatif à l'octroi des concessions de pharmacie (annex a041); and Règlement grand-ducal du 11 février 2002 modifiant le règlement grand-ducal du 27 mai 1997 relatif à l'octroi des concessions de pharmacie (annex a017).

NL: Geneesmiddelenwet, article 67.

With respect to Investment liberalisation – National treatment and Cross-border services – Local presence:



In BG: Permanent residency is required for pharmacists.

Measures:

BG: Law on Medicinal Products in Human Medicine, arts. 146, 161, 195, 222, 228.

With respect to Cross-border trade in services – Local presence:

In DE, SK: Residency is required in order to obtain a licence as a pharmacist or to open a pharmacy for the retail of pharmaceuticals and certain medical goods to the public.

Measures:

DE: Gesetz über das Apothekenwesen (ApoG; German Pharmacy Act);

Gesetz über den Verkehr mit Arzneimitteln (AMG);

Gesetz über Medizinprodukte (MPG);

Verordnung zur Regelung der Abgabe von Medizinprodukten (MPAV).

SK: Act 362/2011 on pharmaceuticals and medical devices, Article 6; and Act 578/2004 on healthcare providers, medical employees, professional organisation in healthcare.

Reservation No. 4 - Research and development services

Sector – sub-sector: Research and development (R&D) services

Industry classification: CPC 851, 853

Type of reservation: Market access

National treatment

Chapter: Investment liberalisation and Cross-border trade in services

Level of government: EU/Member State (unless otherwise specified)

Description:

The EU: For publicly funded research and development (R&D) services benefitting from funding provided by the Union at the Union level, exclusive rights or authorisations may only be granted to nationals of the Member States and to legal persons of the Union having their registered office, central administration or principal place of business in the Union (CPC 851, 853).

For publicly funded R&D services benefitting from funding provided by a Member State exclusive rights or authorisations may only be granted to nationals of the Member State concerned and to legal persons of the Member State concerned having their headquarters in that Member State (CPC 851, 853).

This reservation is without prejudice to Part Five of this Agreement and to the exclusion of procurement by a Party or subsidies, in Article 123(6) and (7) of this Agreement.

Measures:

EU: All currently existing and all future Union research or innovation framework programmes, including the Horizon 2020 Rules for Participation and regulations pertaining to Joint Technology Initiatives (JTIs), Article 185 Decisions, and the European Institute for Innovation and Technology (EIT), as well as existing and future national, regional or local research programmes.

Reservation No. 5 - Real estate services

Sector – sub-sector: Real estate services

Industry classification: CPC 821, 822

Type of reservation: Market access

National treatment

Most-favoured nation treatment

Local presence

Chapter: Investment liberalisation and Cross-border trade in services

Level of government: EU/Member State (unless otherwise specified)

Description:

With respect to Investment liberalisation – Market access, National treatment and Cross-border trade in services – National treatment, Local presence:

In CY: For the supply of real estate services, nationality and residency condition applies.

Measures:

CY: The Real Estate Agents Law 71(1)/2010 as amended.

With respect to Cross-border trade in services – Local presence:

In CZ: Residency for natural persons and establishment for legal persons in the Czech Republic are required to obtain the licence necessary for the provision of real estate services.

In HR: Commercial presence in EEA is required to supply real estate services.

In PT: EEA residency is required for natural persons. EEA incorporation is required for legal persons.

Measures:

CZ: Trade Licensing Act.

HR: Real Estate Brokerage Act (OG 107/07 and 144/12), Article 2.

PT: Decree-Law 211/2004 (Articles 3 and 25), as amended and republished by Decree-Law 69/2011.

With respect to Investment liberalisation – National treatment and Cross-border trade in services – Local presence:

In DK: For the supply of real estate services by a natural person present in the territory of Denmark, only authorised real estate agent who are natural persons that have been admitted to the Danish Business Authority's real estate agent register may use the title of "real estate agent". The act requires that the applicant be a Danish resident or a resident of the Union, EEA or the Swiss Confederation.

The Act on the sale of real estate is only applicable when providing real estate services to consumers. The Act on the sale of real estate does not apply to the leasing of real estate (CPC 822).

Measures:

DK: Lov om formidling af fast ejendom m.v. lov. nr. 526 af 28.05.2014 (The Act on the sale of real estate).

With respect to Cross-border trade in services – Market access, National treatment, Most-favoured-nation treatment:

In SI: In so far as the United Kingdom allows Slovenian nationals and enterprises to supply real estate agent services, Slovenia will allow nationals of the United Kingdom and enterprises to supply real estate agent services under the same conditions, in addition to the fulfilment of the following requirements: entitlement to act as a real estate agent in the country of origin, submission of the relevant document on impunity in criminal procedures, and inscription into the registry of real estate agents at the competent (Slovenian) ministry.

Measures:

SI: Real Estate Agencies Act.

Reservation No. 6 - Business services

Sector – sub-sector: Business services - rental or leasing services without operators; services related to management consulting; technical testing and analyses; related scientific and technical consulting services; services incidental to agriculture; security services; placement services; translation and interpretation services and other business services

Industry classification: ISIC Rev. 37, part of CPC 612, part of 621, part of 625, 831, part of 85990, 86602, 8675, 8676, 87201, 87202, 87203, 87204, 87205, 87206, 87209, 87901, 87902, 87909, 88, part of 893

Type of reservation: Market access

National treatment

Most-favoured nation treatment

Senior management and boards of directors

Local presence

Chapter: Investment liberalisation and Cross-border trade in services

Level of government: EU/Member State (unless otherwise specified)

Description:

(a) Rental or leasing services without operators (CPC 83103, CPC 831)

With respect to Investment liberalisation – Market access, National treatment:

In SE: To fly the Swedish flag, proof of dominating Swedish operating influence must be shown in case of foreign ownership interests in ships. Dominating Swedish operating influence means that the operation of the ship is located in Sweden and that the ship also has a more than half of the shares of either Swedish ownership or ownership of persons in another EEA country. Other foreign ships may under certain conditions be granted an exemption from this rule where they are rented or leased by Swedish legal persons through bareboat charter contracts (CPC 83103).

Measures:

SE: Sjölagen (Maritime Law) (1994:1009), Chapter 1, § 1.

With respect to Cross-border trade in services – Local presence:

In SE: Suppliers of rental or leasing services of cars and certain off-road vehicles (terrängmotorfordon) without a driver, rented or leased for a period of less than one year, are obliged to appoint someone to be responsible for ensuring, among other things, that the business is conducted in accordance with applicable rules and regulations and that the road traffic safety rules are followed. The responsible person must reside in the EEA (CPC 831).

Measures:

SE: Lag (1998: 424) om biluthyrning (Act on renting and leasing cars).

(b) Rental or leasing services and other business services related to aviation

With respect to Investment liberalisation - Market access, National treatment, Most-favoured nation treatment, and Cross-border trade in services - Market access, National treatment, Most-favoured-nation treatment:

The EU: For rental or leasing of aircraft without crew (dry lease), aircraft used by an air carrier of the Union are subject to applicable aircraft registration requirements. A dry lease agreement to which a Union carrier is a party shall be subject to requirements in the Union or national law on aviation safety, such as prior approval and other conditions applicable to the use of third countries' registered aircraft. To be registered, aircraft may be required to be owned either by natural persons meeting specific nationality criteria or by enterprises meeting specific criteria regarding ownership of capital and control (CPC 83104).

With respect to computer reservation system (CRS) services, where Union air carriers are not accorded, by CRS services suppliers operating outside the Union, equivalent (meaning non-discriminatory) treatment to the treatment provided by Union CRS service suppliers to air carriers of a third country in the Union, or where Union CRS services suppliers are not accorded, by non-Union air carriers, equivalent treatment to the treatment provided by air carriers in the Union to CRS service suppliers of a third country, measures may be taken to accord the equivalent discriminatory treatment, respectively, to the non-Union air carriers by the CRS services suppliers operating in the Union, or to the non-Union CRS services suppliers by Union air carriers.

Measures:

EU: Regulation (EC) No 1008/2008 of the European Parliament and of the Council (6); and Regulation (EC) No 80/2009 of the European Parliament and of the Council (7).

With respect to Investment liberalisation - National treatment and Cross-border trade in services - Market access, National treatment

In BE: Private (civil) aircraft belonging to natural persons who are not nationals of a member state of the EEA may only be registered if they are domiciled or resident in Belgium without interruption for at least one year. Private (civil) aircraft belonging to foreign legal entities not formed in accordance with the law of a member state of the EEA may only be registered if they have a seat of operations, an agency or an office in Belgium without interruption for at least one year (CPC 83104).

Authorisation procedures for aerial fire-fighting, flight training, spraying, surveying, mapping, photography, and other airborne agricultural, industrial and inspection services.

Measures:

BE: Arrêté Royal du 15 mars 1954 réglementant la navigation aérienne.

(c) Services related to management consulting – arbitration and conciliation services (CPC 86602)

With respect to Cross-border trade in services –National treatment, Local presence:

In BG: For mediation services, permanent or long-term residency in the republic of Bulgaria is required for citizens of countries other than a member state of the EEA or the Swiss Confederation.

In HU: A notification, for admission into the register, to the minister responsible for justice is required for the pursuit of mediation (such as conciliation) activities.

Measures:

BG: Mediation Act, Art. 8.

HU: Act LV of 2002 on Mediation.

(d) Technical testing and analysis services (CPC 8676)

With respect to Investment liberalisation – Market access, National treatment and Cross-border trade in services – Market access, National treatment:

In CY: The provision of services by chemists and biologists requires nationality of a Member State.

In FR: The professions of biologist are reserved for natural persons, EEA nationality required.

Measures:

CY: Registration of Chemists Law of 1988 (Law 157/1988), as amended.

FR: Code de la Santé Publique.

With respect to Investment liberalisation – Market access, National treatment and Cross-border trade in services – Local presence:

In BG: Establishment in Bulgaria according to the Bulgarian Commercial Act and registration in the Commercial register is required for provision of technical testing and analysis services.

For the periodical inspection for proof of technical condition of road transport vehicles, the person should be registered in accordance with the Bulgarian Commercial Act or the Non-Profit Legal Persons Act, or else be registered in another Member State of the EEA.

The testing and analysis of the composition and purity of air and water may be conducted only by the Ministry of Environment and Water of Bulgaria, or its agencies in co-operation with the Bulgarian Academy of Sciences.

Measures:

BG: Technical Requirements towards Products Act; Measurement Act; Clean Ambient Air Act; and Water Act, Ordinance N-32 for the periodical inspection for proof of technical condition of road transport vehicles.

With respect to Investment liberalisation – National treatment, Most-favoured-nation treatment and Cross-border trade in services –National treatment, Most-favoured-nation treatment, Local presence:

In IT: For biologists, chemical analysts, agronomists and "periti agrari", residency and enrolment in the professional register are required. Third country nationals can enrol under condition of reciprocity.

Measures:

IT: Biologists, chemical analysts: Law 396/1967 on the profession of biologists; and Royal Decree 842/1928 on the profession of chemical analysts.

(e) Related scientific and technical consulting services (CPC 8675)

With respect to Investment liberalisation – National treatment, Most-favoured nation treatment and Cross-border trade in services –National treatment, Most-favoured-nation treatment, Local presence:

In IT: Residency or professional domicile in Italy is required for enrolment in the geologists' register, which is necessary for the practice of the professions of surveyor or geologist in order to provide services relating to the exploration and the operation of mines, etc. Nationality of a Member State is required; however, foreigners may enrol under condition of reciprocity.

Measures:

IT: Geologists: Law 112/1963, Articles 2 and 5; D.P.R. 1403/1965, Article 1.

With respect to Investment liberalisation – Market access, National treatment and Cross-border trade in services – National treatment, Local presence:

In BG: For natural persons, nationality and residency of a Member State of the EEA or the Swiss Confederation is required in order to execute functions pertinent to geodesy, cartography and cadastral surveying. For legal entities, trade registration under the legislation of a Member State of the EEA or the Swiss Confederation is required.

Measures:

BG: Cadastre and Property Register Act; and Geodesy and Cartography Act.

With respect to Investment liberalisation – National Treatment and Cross-border trade in services – National treatment:

In CY: Nationality requirement applies for the provision of relevant services.

Measures:

CY: Law 224/1990 as amended.

With respect to Investment liberalisation – Market access, National treatment and Cross-border trade in services – Market access:

In FR: For surveying, access through SEL (anonyme, à responsabilité limitée ou en commandite par actions), SCP (Société civile professionnelle), SA and SARL (sociétés anonymes, à responsabilité limitée) only. For exploration and prospecting services establishment is required. This requirement may be waived for scientific researchers, by decision of the Minister of scientific research, in agreement with the Minister of Foreign affairs.

Measures:

FR: Loi 46-942 du 7 mai 1946 and décret n°71-360 du 6 mai 1971.

With respect to Investment liberalisation – Market access, National treatment and Cross-border trade in services –National treatment, Local presence:

In HR: Services of basic geological, geodetic and mining consulting as well as related environmental protection consulting services in the territory of Croatia can be carried out only jointly with or through domestic legal persons.

Measures:

HR: Ordinance on requirements for issuing approvals to legal persons for performing professional environmental protection activities (OG No.57/10), Arts. 32-35.

(f) Services incidental to agriculture (part of CPC 88)

With respect to Investment liberalisation – National treatment and Cross-border trade in services – National treatment, Most-favoured-nation treatment, Local presence:

In IT: For biologists, chemical analysts, agronomists and "periti agrari", residency and enrolment in the professional register are required. Third country nationals can enrol under condition of reciprocity.

Measures:

IT: Biologists, chemical analysts: Law 396/1967 on the profession of biologists; and Royal Decree 842/1928 on the profession of chemical analysts.

With respect to Investment liberalisation – Market access, Most-favoured-nation treatment and Cross-border trade in services – Market access, Most-favoured-nation treatment:

In PT: The professions of biologist, chemical analyst and agronomist are reserved for natural persons. For third-country nationals, reciprocity regime applies in the case of engineers and technical engineers (and not a citizenship requirement). For biologists, there is not a citizenship requirement nor a reciprocity requirement.

Measures:

PT: Decree Law 119/92 alterado p/ Lei 123/2015, 2 set. (Ordem Engenheiros); Law 47/2011 alterado p/ Lei 157/2015, 17 set. (Ordem dos Engenheiros Técnicos); and Decree Law 183/98 alterado p/ Lei 159/2015, 18 set. (Ordem dos Biólogos).

(g) Security Services (CPC 87302, 87303, 87304, 87305, 87309)

With respect to Investment liberalisation – Market access, National treatment and Cross-border trade in services – Market access, National treatment, Local presence:

In IT: Nationality of a Member State of the European Union and residency is required in order to obtain the necessary authorisation to supply security guard services and the transport of valuables.

In PT: The provision of security services by a foreign supplier on a cross-border basis is not allowed.

A nationality requirement exists for specialised personnel.

Measures:

IT: Law on public security (TULPS) 773/1931, Articles 133-141; Royal Decree 635/1940, Article 257.

PT: Law 34/2013 alterada p/ Lei 46/2019, 16 maio; and Ordinance 273/2013 alterada p/ Portaria 106/2015, 13 abril.

With respect to Investment liberalisation – National treatment, Most-Favoured Nation treatment and Cross-border trade in services – Local presence:

In DK: Residence requirement for individuals applying for an authorisation to provide security services.

Residence is also required for managers and the majority of members of the board of a legal entity applying for an authorisation to conduct security services. However, residence for management and boards of directors is not required to the extent it follows from international agreements or orders issued by the Minister for Justice.

Measures:

DK: Lovbekendtgørelse 2016-01-11 nr. 112 om vagtvirksomhed.

With respect to Cross-border trade in services – Local presence:

In EE: Residency is required for security guards.

Measures:

EE: Turvaseadus (Security Act) § 21, § 22.

(h) Placement Services (CPC 87201, 87202, 87203, 87204, 87205, 87206, 87209)

With respect to Investment liberalisation – Market access, National treatment and Cross-border trade in services – Market access, National treatment (applies to the regional level of government):

In BE: In all Regions in Belgium, a company having its head office outside the EEA has to demonstrate that it supplies placement services in its country of origin. In the Walloon Region, a specific type of legal entity (régulièrement constituée sous la forme d'une personne morale ayant une forme commerciale, soit au sens du droit belge, soit en vertu du droit d'un Etat membre ou régie par celui-ci, quelle que soit sa forme juridique) is required to supply placement services. A company having its head office outside the EEA has to demonstrate that it fulfils the conditions as set out in the Decree (for instance on the type of legal entity). In the German-speaking community, a company having its head office outside the EEA has to fulfil the admission criteria established by the mentioned Decree (CPC 87202).

Measures:

BE: Flemish Region: Article 8, § 3, Besluit van de Vlaamse Regering van 10 december 2010 tot uitvoering van het decreet betreffende de private arbeidsbemiddeling.

Walloon Region: Décret du 3 avril 2009 relatif à l'enregistrement ou à l'agrément des agences de placement (Decree of 3 April 2009 on registration of placement agencies), Article 7; and Arrêté du Gouvernement wallon du 10 décembre 2009 portant exécution du décret du 3 avril 2009 relatif à l'enregistrement ou à l'agrément des agences de placement (Decision of the Walloon Government of 10 December 2009 implementing the Decree of 3 April 2009 on registration of placement agencies), Article 4.

German-speaking community: Dekret über die Zulassung der Leiharbeitsvermittler und die Überwachung der privaten Arbeitsvermittler / Décret du 11 mai 2009 relatif à l'agrément des agences de travail intérimaire et à la surveillance des agences de placement privées, Article 6.

With respect to Investment liberalisation – National treatment and Cross-border trade in services –National treatment, Local presence:

In DE: Nationality of a Member State of the European Union or a commercial presence in the European Union is required in order to obtain a licence to operate as a temporary employment agency pursuant to Sec. 3 paragraphs 3 to 5 of this Act on temporary agency work (Arbeitnehmerüberlassungsgesetz). The Federal Ministry of Labour and Social Affairs may issue a regulation concerning the placement and recruitment of non-EEA personnel for specified professions e.g. for health and care related professions. The licence or its extension shall be refused if establishments, parts of establishments or ancillary establishments which are not located in the EEA are intended to execute the temporary employment pursuant to Sec. 3 paragraph 2 of the Act on temporary agency work (Arbeitnehmerüberlassungsgesetz).

Measures:

DE: Gesetz zur Regelung der Arbeitnehmerüberlassung (AÜG);

Sozialgesetzbuch Drittes Buch (SGB III; Social Code, Book Three) - Employment Promotion;

Verordnung über die Beschäftigung von Ausländerinnen und Ausländern (BeschV; Ordinance on the Employment of Foreigners).

With respect to Investment liberalisation – Market access:

In ES: Prior to the start of the activity, placement agencies are required to submit a sworn statement certifying the fulfilment of the requirements stated by the current legislation (CPC 87201, 87202).

Measures:

ES: Real Decreto-ley 8/2014, de 4 de julio, de aprobación de medidas urgentes para el crecimiento, la competitividad y la eficiencia (tramitado como Ley 18/2014, de 15 de octubre).

(i) Translation and interpretation services (CPC 87905)

With respect to Investment liberalisation – Market access, National treatment and Cross-border trade in services – Market access:

In BG: To carry out official translation activities foreign natural persons are required to hold a permit for long-term or permanent residency in the Republic of Bulgaria.

Measures:

BG: Regulation for the legalisation, certification and translation of documents.

With respect to Investment liberalisation – Market access and Cross-border trade in services – Market access:

In HU: Official translations, official certifications of translations, and certified copies of official documents in foreign languages may only be provided by the Hungarian Office for Translation and Attestation (OFFI).

In PL: Only natural persons may be sworn translators.

Measures:

HU: Decree of the Council of Ministers No. 24/1986 on Official translation and interpretation.

PL: Act of 25 November 2004 on the profession of sworn translator or interpreter (Journal of Laws from 2019 item 1326).

With respect to Cross-border trade in services –Market Access:

In FI: Residency in the EEA is required for certified translators.

Measures:

FI: Laki auktorisoiduista kääntäjistä (Act on Authorised Translators) (1231/2007), s. 2(1).

With respect to Investment liberalisation – National treatment and Cross-border trade in services – National treatment:

In CY: Registration to registry of translators is necessary for the provision of official translation and certification services. Nationality requirement applies.

In HR: EEA nationality is required for certified translators.

Measures:

CY: The Establishment, Registration and Regulation of the Certified Translator Services in the Republic of Cyprus Law.

HR: Ordinance on permanent court interpreters (OG 88/2008), Article 2.

(j) Other business services (part of CPC 612, part of 621, part of 625, 87901, 87902, 88493, part of 893, part of 85990, 87909, ISIC 37)

With respect to Investment liberalisation – Market access:

In SE: Pawn-shops must be established as a limited liability company or as a branch (part of CPC 87909).

With respect to Investment liberalisation – Market access, and Cross-border trade in services – Local presence:

In CZ: Only an authorised package company is allowed to supply services relating to packaging take-back and recovery and must be a legal person established as a joint-stock company (CPC 88493, ISIC 37).

With respect to Investment liberalisation – Market access, and Cross-border trade in services – Market access:

In NL: To provide hallmarking services, commercial presence in the Netherlands is required. The hallmarking of precious metal Articles is currently exclusively granted to two Dutch public monopolies (part of CPC 893).

Measures:

CZ: Act. 477/2001 Coll. (Packaging Act) paragraph 16.

SE: Pawn shop act (1995:1000).

NL: Waarborgwet 1986.

With respect to Investment liberalisation – Market Access, National Treatment:

In PT: Nationality of a Member State is required for the provision of collection agency services and credit reporting services (CPC 87901, 87902).

Measures:

PT: Law 49/2004.

With respect to Investment liberalisation – Market access, National Treatment and Cross-border trade in services – Local presence:



In CZ: Auction services are subject to licence. To obtain a licence (for the supply of voluntary public auctions), a company must be incorporated in the Czech Republic and a natural person is required to obtain a residency permit, and the company, or natural person must be registered in the Commercial Register of the Czech Republic (part of CPC 612, part of 621, part of 625, part of 85990).

Measures:

CZ: Act no.455/1991 Coll.; Trade Licence Act; and Act no. 26/2000 Coll., on public auctions.

With respect to Cross-border trade in services –Market access:

In SE: The economic plan for a building society must be certified by two persons. These persons must be publicly approved by authorities in the EEA (CPC 87909).

Measures:

SE: Cooperative building societies law (1991:614).

Reservation No. 7 - Communication services

Sector – sub-sector: Communication services - postal and courier services

Industry classification: Part of CPC 71235, part of 73210, part of 751

Type of reservation: Market access

Chapter: Investment liberalisation; Cross-border trade in services

Level of government: EU/Member State (unless otherwise specified)

Description:

With respect to Investment liberalisation - Market access and Cross-border trade in services - Market access:

The EU: The organisation of the siting of letter boxes on the public highway, the issuing of postage stamps and the provision of the registered mail service used in the course of judicial or administrative procedures may be restricted in accordance with national legislation. Licensing systems may be established for those services for which a general universal service obligation exists. These licences may be subject to particular universal service obligations or a financial contribution to a compensation fund.

Measures:

EU: Directive 97/67/EC of the European Parliament and of the Council (8).

Reservation No. 8 - Construction Services

Sector – sub-sector: Construction and related engineering services

Industry classification: CPC 51

Type of reservation: National treatment

Chapter: Investment liberalisation; Cross-border trade in services

Level of government: EU/Member State (unless otherwise specified)

Description:

In CY: Nationality requirement.

Measure:

The Registration and Control of Contractors of Building and Technical Works Law of 2001 (29 (I) / 2001), Articles 15 and 52.

Reservation No. 9 - Distribution services

Sector – sub-sector: Distribution services – general, distribution of tobacco

Industry classification: CPC 3546, part of 621, 6222, 631, part of 632

Type of reservation: Market access

National treatment

Local presence

Chapter: Investment liberalisation; Cross-Border trade in services

Level of government: EU/Member State (unless otherwise specified)

Description:

(a) Distribution services (CPC 3546, 631, 632 except 63211, 63297, 62276, part of 621)

With respect to Investment liberalisation – Market access:

In PT: A specific authorisation scheme exists for the installation of certain retail establishments and shopping centres. This relates to shopping centres that have a gross leasable area equal or greater than 8,000 m<sup>2</sup>, and retail establishments having a sales area equal or exceeding 2,000 m<sup>2</sup>, when located outside shopping centres. Main criteria: Contribution to a multiplicity of commercial offers; assessment of services to consumer; quality of employment and corporate social responsibility; integration in urban environment; contribution to eco-efficiency (CPC 631, 632 except 63211, 63297).

Measures:

PT: Decree-Law No. 10/2015, 16 January.

With respect to Investment liberalisation – Market access, National treatment and Cross-border trade in services – Market access, National treatment:

In CY: Nationality requirement exists for distribution services provided by pharmaceutical representatives (CPC 62117).

Measures:

CY: Law 74(I) 2020 as amended.

With respect to Investment liberalisation – Market access and Cross-border trade in services – Local presence:

In LT: The distribution of pyrotechnics is subject to licensing. Only legal persons of the Union may obtain a licence (CPC 3546).

Measures:

LT: Law on Supervision of Civil Pyrotechnics Circulation (23 March 2004. No. IX-2074).

(b) Distribution of tobacco (part of CPC 6222, 62228, part of 6310, 63108)

With respect to Investment liberalisation – Market access, National treatment and Cross-border trade in services – Market access, National treatment:

In ES: There is a state monopoly on retail sales of tobacco. Establishment is subject to a Member State nationality requirement. Only natural persons may operate as a tobacconist. Each tobacconist cannot obtain more than one license (CPC 63108).

In FR: State monopoly on wholesale and retail sales of tobacco. Nationality requirement for tobacconists (buraliste) (part of CPC 6222, part of 6310).

Measures:

ES: Law 14/2013 of 27 September 2014.

FR: Code général des impôts.

With respect to Investment liberalisation – Market access, National treatment and Cross-border trade in services – Market access, National treatment:

In AT: Only natural persons may apply for an authorisation to operate as a tobacconist.

Priority is given to nationals of a Member State of the EEA (CPC 63108).

Measures:

AT: Tobacco Monopoly Act 1996, § 5 and § 27.

With respect to Investment liberalisation – Market access and Cross-border trade in services – Market access, National treatment:

In IT: In order to distribute and sell tobacco, a licence is needed. The licence is granted through public procedures. The granting of licences is subject to an economic needs test. Main criteria: population and geographical density of existing selling points (part of CPC 6222, part of 6310).

Measures:

IT: Legislative Decree 184/2003;

Law 165/1962;

Law 3/2003;

Law 1293/1957;

Law 907/1942; and

Decree of the President of the Republic (D.P.R.) 1074/1958.

Reservation No. 10 - Education services

Sector – sub-sector: Education services (privately funded)

Industry classification: CPC 921, 922, 923, 924

Type of reservation: Market access

National treatment

Senior management and boards of directors

Local presence

Chapter: Investment liberalisation; Cross-border trade in services

Level of government: EU/Member State (unless otherwise specified)

Description:

With respect to Investment liberalisation – Market access, National treatment, Senior management and boards of directors and Cross-border trade in services – Market access:

In CY: Nationality of a Member State is required for owners and majority shareholders in a privately funded school. Nationals of the United Kingdom may obtain authorisation from the Minister (of Education) in accordance with the specified form and conditions.

Measures:

CY: Private Schools Law of 2019 (N. 147(I)/2019)

With respect to Investment liberalisation – Market access, National treatment and Cross-border trade in services – Market access, National treatment:

In BG: Privately funded primary and secondary education services may only be supplied by authorised Bulgarian enterprises (commercial presence is required). Bulgarian kindergartens and schools having foreign participation may be established or transformed at the request of associations, or corporations, or enterprises of Bulgarian and foreign natural or legal entities, duly registered in Bulgaria, by decision of the Council of Ministers on a motion by the Minister of Education and Science. Foreign owned kindergartens and schools may be established or transformed at the request of foreign legal entities in accordance with international agreements and conventions and under the provisions above. Foreign higher education institutions cannot establish subsidiaries in the territory of Bulgaria. Foreign higher education institutions may open faculties, departments, institutes and colleges in Bulgaria only within the structure of Bulgarian high schools and in

cooperation with them (CPC 921, 922).

Measures:

BG: Pre-school and School Education Act; and

Law for the Higher Education, paragraph 4 of the additional provisions.

With respect to Investment liberalisation – Market access, National treatment

In SI: Privately funded elementary schools may be founded by Slovenian natural or legal persons only. The service supplier must establish a registered office or branch office (CPC 921).

Measures:

SI: Organisation and Financing of Education Act (Official Gazette of Republic of Slovenia, no. 12/1996) and its revisions, Article 40.

With respect to Cross-border services – Local presence:

In CZ and SK: Establishment in a Member State is required to apply for state approval to operate as a privately funded higher education institution. This reservation does not apply to post-secondary technical and vocational education services (CPC 92310).

Measures:

CZ: Act No. 111/1998, Coll. (Higher Education Act), § 39; and

Act No. 561/2004 Coll. on Pre-school, Basic, Secondary, Tertiary Professional and Other Education (the Education Act).

SK: Law No. 131/2002 on Universities.

With respect to Investment liberalisation – Market access and Cross-border services: Market access:

In ES and IT: An authorisation is required in order to open a privately funded university which issues recognised diplomas or degrees. An economic needs test is applied. Main criteria: population and density of existing establishments.

In ES: The procedure involves obtaining the advice of the Parliament.

In IT: This is based on a three-year programme and only Italian legal persons may be authorised to issue state-recognised diplomas (CPC 923).

Measures:

ES: Ley Orgánica 6/2001, de 21 de Diciembre, de Universidades (Law 6 / 2001 of 21 December, on Universities), Article 4.

IT: Royal Decree 1592/1933 (Law on secondary education);

Law 243/1991 (Occasional public contribution for private universities);

Resolution 20/2003 of CNVSU (Comitato nazionale per la valutazione del sistema universitario); and

Decree of the President of the Republic (DPR) 25/1998.

With respect to Investment liberalisation – Market access, National treatment, Senior management and boards of directors and Cross-border trade in services – Market access:

In EL: Nationality of a Member State is required for owners and a majority of the members of the board of directors in privately funded primary and secondary schools, and for teachers in privately funded primary and secondary education (CPC 921, 922). Education at university level shall be provided exclusively by institutions which are fully self-governed public law legal persons. However, Law 3696/2008 permits the establishment by Union residents (natural or legal persons) of private tertiary education institutions granting certificates which are not recognised as being equivalent to university degrees (CPC 923).

Measures:

EL: Laws 682/1977, 284/1968, 2545/1940, Presidential Degree 211/1994 as amended by

Presidential Degree 394/1997, Constitution of Hellas, Article 16, paragraph 5 and Law 3549/2007.

With respect to Investment liberalisation – Market access and Cross-border trade in services – Market access:

In AT: The provision of privately funded university level education services in the area of applied sciences requires an authorisation from the competent authority, the AQ Austria (Agency for Quality Assurance and Accreditation Austria). An investor seeking to provide such services must have his primary business being the supply of such services, and must submit a needs assessment and a market survey for the acceptance of the proposed study programme. The competent Ministry may deny the approval if the decision of the accreditation authority does not comply with national educational interests. The applicant for a private university requires an authorisation from the competent authority (AQ Austria - Agency for Quality Assurance and Accreditation Austria). The competent Ministry may deny the approval if the decision of the accreditation authority does not comply with national educational interests (CPC 923).

Measures:

AT: University of Applied Sciences Studies Act, BGBl. I Nr. 340/1993 as amended, § 2, 8; Private Higher Education Institution Act, BGBl. I Nr. 77/2020, § 2; and

Act on Quality Assurance in Higher Education, BGBl. Nr. 74/2011 as amended, § 25 (3).

With respect to Investment liberalisation – Market access, National treatment, Most-favoured nation treatment and Cross-border trade in services – Market access, National treatment:

In FR: Nationality of a Member State is required in order to teach in a privately funded educational institution (CPC 921, 922, 923). However, nationals of the United Kingdom may obtain an authorisation from the relevant competent authorities in order to teach in primary, secondary and higher level educational institutions. Nationals of the United Kingdom may also obtain an authorisation from the relevant competent authorities in order to establish and operate or manage primary, secondary or higher level educational institutions. Such authorisation is granted on a discretionary basis.

Measures:

FR: Code de l'éducation.

With respect to Investment – Market access, National treatment and Cross-border trade in services – Market access, National treatment:

In MT: Service suppliers seeking to provide privately funded higher or adult education services must obtain a licence from the Ministry of Education and Employment. The decision on whether to issue a licence may be discretionary (CPC 923, 924).

Measures:

MT: Legal Notice 296 of 2012.

Reservation No. 11 - Environmental services

Sector – sub-sector: Environmental services – processing and recycling of used batteries and accumulators, old cars and waste from electrical and electronic equipment; protection of ambient air and climate cleaning services of exhaust gases

Industry classification: Part of CPC 9402, 9404

Type of reservation: Local presence

Chapter: Cross-border trade in services

Level of government: EU/Member State (unless otherwise specified)

Description:

In SE: Only entities established in Sweden or having their principal seat in Sweden are eligible for accreditation to perform control services of exhaust gas (CPC 9404).

In SK: For processing and recycling of used batteries and accumulators, waste oils, old cars and waste from electrical and electronic equipment, incorporation in the EEA is required (residency requirement) (part of CPC 9402).

Measures:

SE: The Vehicles Act (2002:574).

SK: Act 79/2015 on Waste.

Reservation No. 12 – Financial Services

Sector – sub-sector: Financial services – insurance and banking

Industry classification: Not applicable

Type of reservation: Market access

National treatment

Most-favoured-nation treatment

Senior management and boards of directors

Local presence

Chapter: Investment liberalisation; Cross-border trade in services

Level of government: EU/Member State (unless otherwise specified)

Description:

(a) Insurance and Insurance-related Services

With respect to Investment liberalisation – Market access, National treatment and Cross-border trade in services – Market access, National treatment:

In IT: Access to the actuarial profession through natural persons only. Professional associations (no incorporation) among natural persons permitted. European Union nationality is required for the practice of the actuarial profession, except for foreign professionals who may be allowed to practice based on reciprocity.

Measures:

IT: Article 29 of the code of private insurance (Legislative decree no. 209 of 7 September 2005); and Law 194/1942, Article 4, Law 4/1999 on the register.

With respect to Investment liberalisation – Market access, National treatment and Cross-border trade in services – Local presence:

In BG: Pension insurance shall be carried out as a joint-stock company licensed in accordance with the Code of Social Insurance and registered under the Commerce Act or under the legislation of another Member State of the EU (no branches).

In BG, ES, PL and PT: Direct branching is not permitted for insurance intermediation, which is reserved to companies formed in accordance with the law of a Member State (local incorporation is required). For PL, residency requirement for insurance intermediaries.

Measures:

BG: Insurance Code, articles 12, 56-63, 65, 66 and 80 paragraph 4, Social Insurance Code Art. 120a-162, Art. 209-253, Art. 260-310.

ES: Reglamento de Ordenación, Supervisión y Solvencia de Entidades Aseguradoras y Reaseguradoras (RD 1060/2015, de 20 de noviembre de 2015), article 36.

PL: Act on insurance and reinsurance activity of September 11, 2015 (Journal of Laws of 2020, item 895 and 1180); Act on insurance distribution of December 15, 2017 (Journal of Laws 2019, item 1881); Act on the organization and operation of pension funds of August 28, 1997 (Journal of Laws of 2020, item 105); Act of 6 March 2018 on rules regarding economic activity of foreign entrepreneurs and other foreign persons in the territory of the Republic of Poland.

PT: Article 7 of Decree-Law 94-B/98 revoked by Decree-Law 2/2009, January 5th; and chapter I, Section VI of Decree-Law 94-B/98, articles 34, nr. 6, 7, and article 7 of Decree-Law 144/2006, revoked by Law 7/2019, January 16th. Article 8 of the legal regime governing the business of insurance and reinsurance distribution, approved by Law 7/2019, of January 16th.

With respect to Investment liberalisation – National treatment:

In AT: The management of a branch office must consist of at least two natural persons resident in AT.

In BG: Residency requirement for the members of managing and supervisory body of (re)insurance undertakings and every person authorised to manage or represent the (re)insurance undertaking.

The Chairperson of the Management Board, the Chairperson of the Board of Directors, the Executive Director and the Managerial Agent of pension insurance companies must have a permanent address or hold a durable residence permit in Bulgaria.

Measures:

AT: Insurance Supervision Act 2016, Article 14 para. 1 no. 3, Federal Law Gazette I No. 34/2015 (Versicherungsaufsichtsgesetz 2016, § 14 Abs. 1 Z 3, BGBl. I Nr. 34/2015)

BG: Insurance Code, articles 12, 56-63, 65, 66 and 80 paragraph 4,

Social Insurance Code, Art. 120a-162, Art. 209-253, Art. 260-310

With respect to Investment liberalisation – Market access, National treatment:

In BG: Before establishing a branch or agency to provide insurance, a foreign insurer or reinsurer must have been authorised to operate in its country of origin in the same classes of insurance as those it wishes to provide in BG.

The income of the supplementary voluntary pension funds, as well as similar income directly connected with voluntary pension insurance, carried out by persons who are registered under the legislation of another Member State and who may, in compliance with the legislation concerned, perform voluntary pension insurance operations, shall not be taxable according to the procedure established by the Corporate Income Tax Act.

In ES: Before establishing a branch or agency in Spain in order to provide certain classes of insurance, a foreign insurer must have been authorised to operate in the same classes of insurance in its country of origin for at least five years.

In PT: In order to establish a branch or agency, foreign insurance undertakings must have been authorised to carry out the business of insurance or reinsurance, according to the relevant national law for at least five years.

Measures:

BG: Insurance Code, articles 12, 56-63, 65, 66 and 80 paragraph 4,

Social Insurance Code, Art. 120a-162, Art. 209-253, Art. 260-310.

ES: Reglamento de Ordenación, Supervisión y Solvencia de Entidades Aseguradoras y Reaseguradoras (RD 1060/2015, de 20 de noviembre de 2015), article 36.

PT: Article 7 of Decree-Law 94-B/98 and chapter I, Section VI of Decree-Law 94-B/98, articles 34, nr. 6, 7, and article 7 of Decree-Law 144/2006; Article 215 of legal regime governing the taking up and pursuit of the business of insurance and reinsurance, approved by Law 147/2005, of September 9th.

With respect to Investment liberalisation – Market access:

In AT: In order to obtain a licence to open a branch office, foreign insurers must have a legal form corresponding or comparable to a joint stock company or a mutual insurance association in their home country.

In EL: Insurance and reinsurance undertakings with head offices in third countries may operate in Greece via establishing a subsidiary or a branch, where branch in this case does not take any specific legal form, as it means a permanent presence in the territory of a Member State (i.e. Greece) of an undertaking with head office outside EU, which receives authorisation in that Member State (Greece) and which pursues insurance business.

Measures:

AT: Insurance Supervision Act 2016, Article 14 para. 1 no. 1, Federal Law Gazette I No. 34/2015 (Versicherungsaufsichtsgesetz 2016, § 14 Abs. 1 Z 1, BGBl. I Nr. 34/2015).

EL: Art. 130 of the Law 4364/ 2016 (Gov. Gazette 13/ A/ 05.02.2016).

With respect to Cross-border trade in services – National treatment, Local presence:

In AT: Promotional activity and intermediation on behalf of a subsidiary not established in the Union or of a branch not

established in AT (except for reinsurance and retrocession) are prohibited.

In DK: No persons or companies (including insurance companies) may, for business purposes, assist in effecting direct insurance for persons resident in DK, for Danish ships or for property in DK, other than insurance companies licensed by Danish law or by Danish competent authorities.

In SE: The supply of direct insurance by a foreign insurer is allowed only through the mediation of an insurance service supplier authorised in Sweden, provided that the foreign insurer and the Swedish insurance company belong to the same group of companies or have an agreement of cooperation between them.

With respect to Cross-border trade in services – Local presence:

In DE, HU and LT: The supply of direct insurance services by insurance companies not incorporated in the European Union requires the setting up and authorisation of a branch.

In SE: The provision of insurance intermediation services by undertakings not incorporated in the EEA requires the establishment of a commercial presence (local presence requirement).

In SK: Air and maritime transport insurance, covering the aircraft/vessel and responsibility, can be underwritten only by insurance companies established in the Union or by the branch office of the insurance companies not established in the Union authorised in the Slovak Republic.

#### Measures

AT: Insurance Supervision Act 2016, Article 13 para. 1 and 2, Federal Law Gazette I No. 34/2015 (Versicherungsaufsichtsgesetz 2016, § 13 Abs. 1 und 2, BGBl. I Nr. 34/2015)

DE: Versicherungsaufsichtsgesetz (VAG) for all insurance services; in connection with Luftverkehrs-Zulassungs-Ordnung (LuftVZO) only for compulsory air liability insurance.

DK: Lov om finansiel virksomhed jf. lovbekendtgørelse 182 af 18. februar 2015.

HU: Act LX of 2003.

LT: Law on Insurance, 18 of September, 2003 m. Nr. IX-1737, last amendment 13 of June 2019 Nr. XIII-2232.

SE: Lag om försäkringsförmedling (Insurance Distribution Mediation Act) (Chapter 3, section 3, 2018:12192005:405); and Foreign Insurers Business in Sweden Act (Chapter 4, section 1 and 10, 1998:293).

SK: Act 39/2015 on insurance.

#### (b) Banking and other financial services

With respect to Investment liberalisation – Market Access, National treatment, and Cross-border trade in services – Local presence:

In BG: For pursuing the activities of lending with funds which are not raised through taking of deposits or other repayable funds, acquiring holdings in a credit institution or another financial institution, financial leasing, guarantee transactions, acquisition of claims on loans and other forms of financing (factoring, forfeiting, etc.), non-bank financial institutions are subject to registration regime with the Bulgarian National Bank. The financial institution shall have its main business in the territory of Bulgaria.

In BG: Non-EEA banks may pursue banking activity in Bulgaria after obtaining a license from BNB for taking up and pursuing of business activities in the Republic of Bulgaria through a branch.

In IT: In order to be authorised to operate the securities settlement system or to provide central securities depository services with an establishment in Italy, a company is required to be incorporated in Italy (no branches).

In the case of collective investment schemes other than undertakings for collective investment in transferable securities ("UCITS") harmonised under Union legislation, the trustee or depository is required to be established in Italy or in another Member State and have a branch in Italy.

Management enterprises of investment funds not harmonised under Union legislation are also required to be incorporated in Italy (no branches).

Only banks, insurance enterprises, investment firms and enterprises managing UCITS harmonised under Union legislation



having their legal head office in the Union, as well as UCITS incorporated in Italy, may carry out the activity of pension fund resource management.

In providing the activity of door-to-door selling, intermediaries must utilise authorised financial salesmen resident within the territory of a Member State.

Representative offices of non-European Union intermediaries cannot carry out activities aimed at providing investment services, including trading for own account and for the account of customers, placement and underwriting financial instruments (branch required).

In PT: Pension fund management may be provided only by specialised companies incorporated in PT for that purpose and by insurance companies established in PT and authorised to take up life insurance business, or by entities authorised to provide pension fund management in other Member States. Direct branching from non-European Union countries is not permitted.

Measures:

BG: Law on Credit Institutions, article 2, paragraph 5, article 3a and article 17

Code of Social Insurance, articles 121, 121b, 121f; and

Currency Law, article 3.

IT: Legislative Decree 58/1998, articles 1, 19, 28, 30-33, 38, 69 and 80;

Joint Regulation of Bank of Italy and Consob 22.2.1998, articles 3 and 41;

Regulation of Bank of Italy 25.1.2005;

Title V, Chapter VII, Section II, Consob Regulation 16190 of 29.10.2007, articles 17-21, 78-81, 91-111; and subject to:

Regulation (EU) No 909/2014 of the European Parliament and of the Council (9).

PT: Decree-Law 12/2006, as amended by Decree-Law 180/2007 Decree-Law 357-A/2007, Regulation 7/2007-R, as amended by Regulation 2/2008-R, Regulation 19/2008-R, Regulation 8/2009. Article 3 of the legal regime governing the establishment and functioning of pension funds and their management entities approved by Law 27/2020, of July 23rd.

With respect to Investment liberalisation – Market access, National treatment:

In HU: Branches of non-EEA investment fund management companies may not engage in the management of European investment funds and may not provide asset management services to private pension funds.

Measures:

HU: Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises;

and

Act CXX of 2001 on the Capital Market.

With respect to Investment liberalisation – National Treatment and Cross-border trade in services – Market access:

In BG: A bank shall be managed and represented jointly by at least two persons. The persons who manage and represent the bank shall be personally present at its management address. Legal persons may not be elected members of the managing board or the board of directors of a bank.

In SE: A founder of a savings bank shall be a natural person.

Measures:

BG: Law on Credit Institutions, article 10;

Code Of Social Insurance, article 121e; and

Currency Law, article 3.

SE: Sparbankslagen (Savings Bank Act) (1987:619), Chapter 2, § 1.

With respect to Investment liberalisation – National treatment:

In HU: The board of directors of a credit institution shall have at least two members recognised as resident according to foreign exchange regulations and having had prior permanent residence in HU for at least one year.

Measures:

HU: Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises;

and

Act CXX of 2001 on the Capital Market.

With respect to Investment liberalisation – Market access:

In RO: Market operators are legal persons set up as joint stock companies according to the provisions of the Company law. Alternative trading systems (Multilateral trading facility (MTF) pursuant to MiFID II Directive) can be managed by a system operator set up under the conditions described above or by an investment firm authorised by ASF (Autoritatea de Supraveghere Financiară – Financial Supervisory Authority).

In SI: A pension scheme may be provided by a mutual pension fund (which is not a legal entity and is therefore managed by an insurance company, a bank or a pension company), a pension company or an insurance company. Additionally, a pension scheme can also be offered by pension scheme providers established in accordance with the regulations applicable in a Member State of the EU.

Measures:

RO: Law no. 126 of 11 June 2018 regarding financial instruments and Regulation no. 1/2017 for the amendment and supplement of Regulation no. 2/2006 on regulated markets and alternative trading systems, approved by Order of NSC no. 15/2006 - ASF – Autoritatea de Supraveghere Financiară – Financial Supervisory Authority.

SI: Pension and Disability Insurance Act, (Official Gazette no. 102/2015 (as last amended No 28/19).

With respect to Cross-border trade in services – Local presence:

In HU: Non-EEA companies may provide financial services or engage in activities auxiliary to financial services solely through a branch in HU.

Measures:

HU: Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises;

and

Act CXX of 2001 on the Capital Market.

Reservation No. 13 - Health services and social services

Sector – sub-sector: Health services and social services

Industry classification: CPC 931, 933

Type of reservation: Market access

National treatment

Chapter: Investment liberalisation and Cross-border trade in services

Level of government: EU/Member State (unless otherwise specified)

Description:

With respect to Investment liberalisation – Market access:

In DE: (applies also to the regional level of government): Rescue services and "qualified ambulance services" are organised and regulated by the Länder. Most Länder delegate competences in the field of rescue services to municipalities. Municipalities are allowed to give priority to not-for-profit operators. This applies equally to foreign as well as domestic service suppliers (CPC 931, 933). Ambulance services are subject to planning, permission and accreditation. Regarding

telemedicine, the number of ICT (information and communications technology) service suppliers may be limited to guarantee interoperability, compatibility and necessary safety standards. This is applied in a non-discriminatory way.

In HR: Establishment of some privately funded social care facilities may be subject to needs based limits in particular geographical areas (CPC 9311, 93192, 93193, 933).

In SI: a state monopoly is reserved for the following services: Supply of blood, blood preparations, removal and preservation of human organs for transplant, socio-medical, hygiene, epidemiological and health-ecological services, patho-anatomical services, and biomedically-assisted procreation (CPC 931).

Measures:

DE: Bundesärzteordnung (BÄO; Federal Medical Regulation):

Gesetz über die Ausübung der Zahnheilkunde (ZHG);

Gesetz über den Beruf der Psychotherapeutin und des Psychotherapeuten (PsychThG; Act on the Provision of Psychotherapy Services);

Gesetz über die berufsmäßige Ausübung der Heilkunde ohne Bestallung (Heilpraktikergesetz);

Gesetz über das Studium und den Beruf der Hebammen (HebG);

Gesetz über den Beruf der Notfallsanitäterin und des Notfallsanitäters (NotSanG);

Gesetz über die Pflegeberufe (PflBG);

Gesetz über die Berufe in der Physiotherapie (MPhG);

Gesetz über den Beruf des Logopäden (LogopG);

Gesetz über den Beruf des Orthoptisten und der Orthoptistin (OrthoptG);

Gesetz über den Beruf der Podologin und des Podologen (PodG);

Gesetz über den Beruf der Diätassistentin und des Diätassistenten (DiätAssG);

Gesetz über den Beruf der Ergotherapeutin und des Ergotherapeuten (ErgThG); Bundesapothekerordnung (BapO);

Gesetz über den Beruf des pharmazeutisch-technischen Assistenten (PTAG);

Gesetz über technische Assistenten in der Medizin (MTAG);

Gesetz zur wirtschaftlichen Sicherung der Krankenhäuser und zur Regelung der Krankenhauspflegesätze (Krankenhausfinanzierungsgesetz - KHG);

Gewerbeordnung (German Trade, Commerce and Industry Regulation Act);

Sozialgesetzbuch Fünftes Buch (SGB V; Social Code, Book Five) - Statutory Health Insurance;

Sozialgesetzbuch Sechstes Buch (SGB VI; Social Code, Book Six) - Statutory Pension Insurance;

Sozialgesetzbuch Siebtes Buch (SGB VII; Social Code, Book Seven) - Statutory Accident Insurance;

Sozialgesetzbuch Neuntes Buch (SGB IX; Social Code, Book Nine) - Rehabilitation and Participation of Persons with Disabilities;

Sozialgesetzbuch Elftes Buch (SGB XI; Social Code, Book Eleven) - Social Assistance.

Personenbeförderungsgesetz (PBefG; Act on Public Transport).

Regional level:

Gesetz über den Rettungsdienst (Rettungsdienstgesetz - RDG) in Baden-Württemberg;

Bayerisches Rettungsdienstgesetz (BayRDG);

Gesetz über den Rettungsdienst für das Land Berlin (Rettungsdienstgesetz);

Gesetz über den Rettungsdienst im Land Brandenburg (BbgRettG);

Bremisches Hilfeleistungsgesetz (BremHilfeG);

Hamburgisches Rettungsdienstgesetz (HmbRDG);

Gesetz über den Rettungsdienst für das Land Mecklenburg-Vorpommern (RDGM-V);

Niedersächsisches Rettungsdienstgesetz (NRettDG);

Gesetz über den Rettungsdienst sowie die Notfallrettung und den Krankentransport durch  
Unternehmer (RettG NRW);

Landesgesetz über den Rettungsdienst sowie den Notfall- und Krankentransport (RettDG);

Saarländisches Rettungsdienstgesetz (SRettG);

Sächsisches Gesetz über den Brandschutz, Rettungsdienst und Katastrophenschutz (SächsBRKG);

Rettungsdienstgesetz des Landes Sachsen-Anhalt (RettDG LSA);

Schleswig-Holsteinisches Rettungsdienstgesetz (SHRDG);

Thüringer Rettungsdienstgesetz (ThüRettG).

Landespflegegesetze:

Gesetz zur Umsetzung der Pflegeversicherung in Baden-Württemberg (Landespflegegesetz - LPfIG);

Gesetz zur Ausführung der Sozialgesetze (AGSG);

Gesetz zur Planung und Finanzierung von Pflegeeinrichtungen (Landespflegeeinrichtungsgesetz-LPflEG);

Gesetz über die pflegerische Versorgung im Land Brandenburg (Landespflegegesetz - LPflegeG);

Gesetz zur Ausführung des Pflege-Versicherungsgesetzes im Lande Bremen und zur Änderung des Bremischen  
Ausführungsgesetzes zum Bundessozialhilfegesetz (BremAGPflegeVG);

Hamburgisches Landespflegegesetz (HmbLPG);

Hessisches Ausführungsgesetz zum Pflege-Versicherungsgesetz;

Landespflegegesetz (LPflegeG M-V);

Gesetz zur Planung und Förderung von Pflegeeinrichtungen nach dem Elften Buch Sozialgesetzbuch (Niedersächsisches  
Pflegegesetz - NPflegeG);

Gesetz zur Weiterentwicklung des Landespflegerechts und Sicherung einer unterstützenden Infrastruktur für ältere  
Menschen, pflegebedürftige Menschen und deren Angehörige (Alten- und Pflegegesetz Nordrhein-Westfalen – APG NRW);

Landesgesetz zur Sicherstellung und Weiterentwicklung der pflegerischen Angebotsstruktur (LPflegeASG) (Rheinland-Pfalz);

Gesetz Nr. 1694 zur Planung und Förderung von Angeboten für hilfe-, betreuungs- oder pflegebedürftige Menschen im  
Saarland (Saarländisches Pflegegesetz);

Sächsisches Pflegegesetz (SächsPflegeG);

Schleswig-Holstein: Ausführungsgesetz zum Pflege-Versicherungsgesetz (Landespflegegesetz - LPflegeG);

Thüringer Gesetz zur Ausführung des Pflege-Versicherungsgesetzes (ThürAGPflegeVG).

Landeskrankenhausgesetz Baden-Württemberg;

Bayerisches Krankenhausgesetz (BayKrG);

Berliner Gesetz zur Neuregelung des Krankenhausrechts;

Krankenhausentwicklungsgesetz Brandenburg (BbgKHEG);

Bremisches Krankenhausgesetz (BrmKrHG);

Hamburgisches Krankenhausgesetz (HmbKHG);

Hessisches Krankenhausgesetz 2011 (HKHG 2011);

Krankenhausgesetz für das Land Mecklenburg-Vorpommern (LKHG M-V);

Niedersächsisches Krankenhausgesetz (NKHG);

Krankenhausgestaltungsgesetz des Landes Nordrhein-Westfalen (KHGG NRW);

Landeskrankenhausgesetz Rheinland-Pfalz (LKG Rh-Pf);

Saarländisches Krankenhausgesetz (SKHG);

Gesetz zur Neuordnung des Krankenhauswesens (Sächsisches Krankenhausgesetz - SächsKHG);

Krankenhausgesetz Sachsen-Anhalt (KHG LSA);

Gesetz zur Ausführung des Krankenhausfinanzierungsgesetzes (AG-KHG) in Schleswig-Holstein;

Thüringisches Krankenhausgesetz (Thür KHG).

HR: Health Care Act (OG 150/08, 71/10, 139/10, 22/11, 84/11, 12/12, 70/12, 144/12).

SI: Law of Health Services, Official Gazette of the RS, No. 23/2005, Articles 1, 3 and 62-64; Infertility Treatment and Procedures of the Biomedically-Assisted Procreation Act, Official Gazette of the RS, No. 70/00, Articles 15 and 16; and Supply of Blood Act (ZPKrv-1), Official Gazette of RS, no. 104/06, Articles 5 and 8.

With respect to Investment liberalisation – Market access, National treatment:

In FR: For hospital and ambulance services, residential health facilities (other than hospital services) and social services, an authorisation is necessary in order to exercise management functions. The authorisation process takes into account the availability of local managers. Companies can take any legal forms, except those reserved to liberal professions.

Measures:

FR: Loi 90-1258 relative à l'exercice sous forme de société des professions libérales, Loi n°2011-940 du 10 août 2011 modifiant certaines dispositions de la loi n°2009-879 dite HPST, Loi n°47-1775 portant statut de la coopération; and Code de la santé publique.

Reservation No. 14 - Tourism and travel related services

Sector – sub-sector: Tourism and travel related services - hotels, restaurants and catering; travel agencies and tour operators services (including tour managers); tourist guides services

Industry classification: CPC 641, 642, 643, 7471, 7472

Type of reservation: Market access

National treatment

Senior management and boards of directors

Local presence

Chapter: Investment liberalisation; Cross-border trade in services

Level of government: EU/Member State (unless otherwise specified)

Description:

With respect to Investment liberalisation – Market access, National treatment, Senior management and boards of directors and Cross-border trade in services – Market access, National treatment:

In BG: Incorporation (no branches) is required. Tour operation or travel agency services may be provided by a person established in the EEA if, upon establishment in the territory of Bulgaria, the said person presents a copy of a document

certifying the right thereof to practice that activity and a certificate or another document issued by a credit institution or an insurer containing data of the existence of insurance covering the liability of the said person for damage which may ensue as a result of a culpable non-fulfilment of professional duties. The number of foreign managers may not exceed the number of managers who are Bulgarian nationals, in cases where the public (state or municipal) share in the equity capital of a Bulgarian company exceeds 50 per cent. EEA nationality requirement for tourist guides (CPC 641, 642, 643, 7471, 7472).

Measures:

BG: Law for Tourism, Articles 61, 113 and 146.

With respect to Investment liberalisation – Market access, National treatment and Cross-border trade in services – Market access, National treatment, Local presence:

In CY: A licence to establish and operate a tourism and travel company or agency, as well as the renewal of an operating licence of an existing company or agency, shall be granted only to European Union natural or legal persons. No non-resident company except those established in another Member State, can provide in the Republic of Cyprus, on an organised or permanent basis, the activities referred to under Article 3 of the abovementioned Law, unless represented by a resident company. The provision of tourist guide services and travel agencies and tour operators services requires nationality of a Member State (CPC 7471, 7472).

Measures:

CY: The Tourism and Travel Offices and Tourist Guides Law 1995 (Law 41(I)/1995) as amended).

With respect to Investment liberalisation – Market access, National treatment, Most-favoured nation treatment and Cross-border trade in services – Market access, National treatment, Most-favoured nation treatment:

In EL: Third-country nationals have to obtain a diploma from the Tourist Guide Schools of the Greek Ministry of Tourism, in order to be entitled to the right of practicing the profession. By exception, the right of practicing the profession can be temporarily (up to one year) accorded to third-country nationals under certain explicitly defined conditions, by way of derogation of the above mentioned provisions, in the event of the confirmed absence of a tourist guide for a specific language.

With respect to Investment liberalisation – Market access, National treatment and Cross-border trade in services – Market access, National treatment,:

In ES (for ES applies also to the regional level of government): Nationality of a Member State is required for the provision of tourist guide services (CPC 7472).

In HR: EEA or Swiss nationality is required for hospitality and catering services in households and rural homesteads (CPC 641, 642, 643, 7471, 7472).

Measures:

EL: Presidential Degree 38/2010, Ministerial Decision 165261/IA/2010 (Gov. Gazette 2157/B), Article 50 of the law 4403/2016, Article 47 of the law 4582/2018 (Gov. Gazette 208/A).

ES: Andalucía: Decreto 8/2015, de 20 de enero, Regulador de guías de turismo de Andalucía;

Aragón: Decreto 21/2015, de 24 de febrero, Reglamento de Guías de turismo de Aragón;

Cantabria: Decreto 51/2001, de 24 de julio, Article 4, por el que se modifica el Decreto 32/1997, de 25 de abril, por el que se aprueba el reglamento para el ejercicio de actividades turísticoinformativas privadas;

Castilla y León: Decreto 25/2000, de 10 de febrero, por el que se modifica el Decreto 101/1995, de 25 de mayo, por el que se regula la profesión de guía de turismo de la Comunidad Autónoma de Castilla y León;

Castilla la Mancha: Decreto 86/2006, de 17 de julio, de Ordenación de las Profesiones Turísticas;

Cataluña: Decreto Legislativo 3/2010, de 5 de octubre, para la adecuación de normas con rango de ley a la Directiva 2006/123/CE, del Parlamento y del Consejo, de 12 de diciembre de 2006, relativa a los servicios en el mercado interior, Article 88;

Comunidad de Madrid: Decreto 84/2006, de 26 de octubre del Consejo de Gobierno, por el que se modifica el Decreto 47/1996, de 28 de marzo;

Comunidad Valenciana: Decreto 90/2010, de 21 de mayo, del Consell, por el que se modifica el reglamento regulador de la profesión de guía de turismo en el ámbito territorial de la Comunitat Valenciana, aprobado por el Decreto 62/1996, de 25 de marzo, del Consell;

Extremadura: Decreto 37/2015, de 17 de marzo;

Galicia: Decreto 42/2001, de 1 de febrero, de Refundición en materia de agencias de viajes, guías de turismo y turismo activo;

Illes Balears: Decreto 136/2000, de 22 de septiembre, por el cual se modifica el Decreto 112/1996, de 21 de junio, por el que se regula la habilitación de guía turístico en las Islas Baleares;

Islas Canarias: Decreto 13/2010, de 11 de febrero, por el que se regula el acceso y ejercicio de la profesión de guía de turismo en la Comunidad Autónoma de Canarias, Article 5;

La Rioja: Decreto 14/2001, de 4 de marzo, Reglamento de desarrollo de la Ley de Turismo de La Rioja;

Navarra: Decreto Foral 288/2004, de 23 de agosto. Reglamento para actividad de empresas de turismo activo y cultural de Navarra.

Principado de Asturias: Decreto 59/2007, de 24 de mayo, por el que se aprueba el Reglamento regulador de la profesión de Guía de Turismo en el Principado de Asturias; and

Región de Murcia: Decreto n.o 37/2011, de 8 de abril, por el que se modifican diversos decretos en materia de turismo para su adaptación a la ley 11/1997, de 12 de diciembre, de turismo de la Región de Murcia tras su modificación por la ley 12/2009, de 11 de diciembre, por la que se modifican diversas leyes para su adaptación a la directiva 2006/123/CE, del Parlamento Europeo y del Consejo de 12 de diciembre de 2006, relativa a los servicios en el mercado interior.

HR: Hospitality and Catering Industry Act (OG 85/15, 121/16, 99/18, 25/19, 98/19, 32/20 and 42/20); and Act on Provision of Tourism Services (OG No. 130/17, 25/19, 98/19 and 42/20).

With respect to Investment liberalisation – National treatment and Cross-border trade in services – Market access, National treatment:

In HU: The supply of travel agent and tour operator services, and tourist guide services on a cross-border basis is subject to a licence issued by the Hungarian Trade Licensing Office. Licences are reserved to EEA nationals and legal persons having their seats in the EEA (CPC 7471, 7472).

In IT (applies also to the regional level of government): tourist guides from non-European Union countries need to obtain a specific licence from the region in order to act as a professional tourist guide. Tourist guides from Member States can work freely without the requirement for such a licence. The licence is granted to tourist guides demonstrating adequate competence and knowledge (CPC 7472).

Measures:

HU: Act CLXIV of 2005 on Trade, Government Decree No. 213/1996 (XII.23.) on Travel Organisation and Agency Activities.

IT: Law 135/2001 Articles 7.5 and 6; and Law 40/2007 (DL 7/2007).

Reservation No. 15 - Recreational, cultural and sporting services

Sector – sub-sector: Recreational services; other sporting services

Industry classification: CPC 962, part of 96419

Type of reservation: Market access

National treatment

Senior management and boards of directors

Chapter: Investment liberalisation; Cross-border trade in services

Level of government: EU/Member State (unless otherwise specified)

Description:

Other sporting services (CPC 96419)

With respect to Investment liberalisation – National treatment, Senior management and boards of directors and Cross-border trade in services –National treatment:

In AT (applies to the regional level of government): The operation of ski schools and mountain guide services is governed by the laws of the Bundesländer. The provision of these services may require nationality of a Member State of the EEA. Enterprises may be required to appoint a managing director who is a national of a Member State of the EEA.

With respect to Investment liberalisation – National treatment and Cross-border trade in services –National treatment:

In CY: Nationality requirement for the establishment of a dance school and nationality requirement for physical instructors.

Measures:

AT: Kärntner Schischulgesetz, LGBL. Nr. 53/97;

Kärntner Berg- und Schiführergesetz, LGBL. Nr. 25/98;

NÖ- Sportgesetz, LGBL. Nr. 5710;

OÖ- Sportgesetz, LGBL. Nr. 93/1997;

Salzburger Schischul- und Snowboardschulgesetz, LGBL. Nr. 83/89;

Salzburger Bergführergesetz, LGBL. Nr. 76/81;

Steiermärkisches Schischulgesetz, LGBL. Nr.58/97;

Steiermärkisches Berg- und Schiführergesetz, LGBL. Nr. 53/76;

Tiroler Schischulgesetz. LGBL. Nr. 15/95;

Tiroler Bergsportführergesetz, LGBL. Nr. 7/98;

Vorarlberger Schischulgesetz, LGBL. Nr. 55/02 §4 (2)a;

Vorarlberger Bergführergesetz, LGBL. Nr. 54/02; and

Wien: Gesetz über die Unterweisung in Wintersportarten, LGBL. Nr. 37/02.

CY: Law 65(I)/1997 as amended; and

Law 17(I) /1995 as amended.

Reservation No. 16 - Transport services and services auxiliary to transport services

Sector – sub-sector: Transport services - fishing and water transportation – any other commercial activity undertaken from a ship; water transportation and auxiliary services for water transport; rail transport and auxiliary services to rail transport; road transport and services auxiliary to road transport; services auxiliary to air transport services

Industry classification: ISIC Rev. 3.1 0501, 0502; CPC 5133, 5223, 711, 712, 721, 741, 742, 743, 744, 745, 748, 749, 7461, 7469, 83103, 86751, 86754, 8730, 882

Type of reservation: Market access

National treatment

Most-favoured-nation treatment

Senior management and boards of directors

Local presence

Chapter: Investment liberalisation; Cross-border trade in services

Level of government: EU/Member State (unless otherwise specified)

Description:



(a) Maritime transport and auxiliary services for maritime transport. Any commercial activity undertaken from a ship (ISIC Rev. 3.1 0501, 0502; CPC 5133, 5223, 721, Part of 742, 745, 74540, 74520, 74590, 882)

With respect to Investment liberalisation – Market access, and Cross-border trade in services – Market access:

In EU: For port services, the managing body of a port, or the competent authority, may limit the number of providers of port services for a given port service.

Measures:

EU: Article 6 of Regulation (EU) 2017/352 of the European Parliament and of the Council (10).

With respect to Investment liberalisation – Market access, National treatment, Senior management and boards of directors; Cross-border trade in services – Market access, National treatment:

In BG: The carriage and any activities related to hydraulic-engineering and underwater technical works, prospecting and extraction of mineral and other inorganic resources, pilotage, bunkering, receipt of waste, water-and-oil mixtures and other such, performed by vessels in the internal waters, and the territorial sea of Bulgaria, may only be performed by vessels flying the Bulgarian flag or vessels flying the flag of another Member State.

The number of the service suppliers at the ports may be limited depending on the objective capacity of the port, which is decided by an expert commission, set up by the Minister of Transport, Information Technology and Communications.

Nationality requirement for supporting services. The master and the chief engineer of the vessel shall mandatorily be nationals of a Member State of the EEA, or of the Swiss Confederation. (ISIC Rev. 3.1 0501, 0502, CPC 5133, 5223, 721, 74520, 74540, 74590, 882).

Measures:

BG: Merchant Shipping Code; Law For the Sea Water, Inland Waterways and Ports of the Republic of Bulgaria; Ordinance for the condition and order for selection of Bulgarian carriers for carriage of passengers and cargoes under international treaties; and Ordinance 3 for servicing of unmanned vessels.

With respect to Investment liberalisation – Market access and Cross-border trade in services – Market access:

In BG: Regarding supporting services for public transport carried out in Bulgarian ports, in ports having national significance, the right to perform supporting activities is granted through a concession contract. In ports having regional significance, this right is granted by a contract with the owner of the port (CPC 74520, 74540, 74590).

Measures:

BG: Merchant Shipping Code; Law For the Sea Water, Inland Waterways and Ports of the Republic of Bulgaria.

With respect to Cross-border trade in services – Local presence:

In DK: Pilotage-providers may only conduct pilotage service in Denmark, if they are domiciled in the EEA and registered and approved by the Danish Authorities in accordance with the Danish Act on Pilotage (CPC 74520).

Measures:

DK: Danish Pilotage Act, §18.

With respect to Investment liberalisation - Market access, National treatment, Most-favoured nation treatment and Cross-border trade in services - Market access, National treatment, Most-favoured-nation treatment:

In DE (applies also to the regional level of government): A vessel that does not belong to a national of a Member State may only be used for activities other than transport and auxiliary services in the German federal waterways after specific authorisation. Waivers for non- European Union vessels may only be granted if no European Union vessels are available or if they are available under very unfavourable conditions, or on the basis of reciprocity. Waivers for vessels flying under the United Kingdom flag may be granted on the basis of reciprocity (§ 2 paragraph 3 KüSchVO). All activities falling within the scope of the pilot law are regulated and accreditation is restricted to nationals of the EEA or the Swiss Confederation. Provision and Operation of facilities for pilotage is restricted to public authorities or companies, which are designated by them.

For rental or leasing of seagoing vessels with or without operators, and for rental or leasing without operator of non-seagoing vessels, the conclusion of contracts for freight transport by ships flying a foreign flag or the chartering of such

vessels may be restricted, depending on the availability of ships flying under the German flag or the flag of another Member State.

Transactions between residents and non-residents concerning:

(i) rental of inland waterway transport vessels, which are not registered in the economic area;

(ii) transport of freight with such inland waterway transport vessels; or

(iii) towing services by such inland waterway transport vessels,

within the economic area may be restricted (Water transport, Supporting services for water transport, Rental of ships, Leasing services of ships without operators (CPC 721, 745, 83103, 86751, 86754, 8730)).

Measures:

DE: Gesetz über das Flaggenrecht der Seeschiffe und die Flaggenführung der Binnenschiffe (Flaggenrechtsgesetz; Flag Protection Act);

Verordnung über die Küstenschifffahrt (KüSchV);

Gesetz über die Aufgaben des Bundes auf dem Gebiet der Binnenschifffahrt (Binnenschifffahrtsaufgabengesetz - BinSchAufgG);

Verordnung über Befähigungszeugnisse in der Binnenschifffahrt (Binnenschifferpatentverordnung - BinSchPatentV);

Gesetz über das Seelotswesen (Seelotsgesetz - SeeLG);

Gesetz über die Aufgaben des Bundes auf dem Gebiet der Seeschifffahrt (Seeaufgabengesetz - SeeAufgG); and

Verordnung zur Eigensicherung von Seeschiffen zur Abwehr äußerer Gefahren (See-Eigensicherungsverordnung - SeeEigensichV).

With respect to Investment liberalisation - Market access, National treatment and Cross-border trade in services - Market access, National treatment:

In FI: supporting services for maritime transport when provided in Finnish maritime waters are reserved to fleets operating under the national, Union or Norwegian flag (CPC 745).

Measures:

FI: Merilaki (Maritime Act) (674/1994); and

Laki elinkeinon harjoittamisen oikeudesta (Act on the Right to Carry on a Trade) (122/1919), s. 4.

With respect to Investment liberalisation - Market access:

In EL: Public monopoly imposed in port areas for cargo handling services (CPC 741).

In IT: An economic needs test is applied for maritime cargo-handling services. Main criteria: number of and impact on existing establishments, population density, geographic spread and creation of new employment (CPC 741).

Measures:

EL: Code of Public Maritime Law (Legislative Decree 187/1973).

IT: Shipping Code;

Law 84/1994; and

Ministerial decree 585/1995.

(b) Rail transport and auxiliary services to rail transport (CPC 711, 743)

With respect to Investment liberalisation - Market access, National treatment, and Cross-border trade in services - Market access, National treatment:

In BG: Only nationals of a Member State may provide rail transport or supporting services for rail transport in Bulgaria. A

licence to carry out passenger or freight transportation by rail is issued by the Minister of Transport to railway operators registered as traders (CPC 711, 743).

Measures:

BG: Law for Railway Transport, Articles 37 and 48.

With respect to Investment liberalisation - Market access:

In LT: The exclusive rights for the provision of transit services are granted to railway undertakings which are owned, or whose stock is 100 per cent owned, by the state (CPC 711).

Measures:

LT: Railway transport Code of the Republic of Lithuania of 22 April 2004 No. IX-2152 as amended by 8 June 2006 No. X-653.

(c) Road transport and services auxiliary to road transport (CPC 712, 7121, 7122, 71222, 7123)

For road transport services not covered by Heading Three of Part Two of this Agreement and Annex 31 to this Agreement

With respect to Investment liberalisation - Market access, National treatment, and Cross-border trade in services - Market access, National treatment:

In AT (with respect also to Most-favoured-nation treatment): For passenger and freight transportation, exclusive rights or authorisations may only be granted to nationals of the Contracting Parties of the EEA and to legal persons of the Union having their headquarters in Austria. Licences are granted on non-discriminatory terms, under condition of reciprocity (CPC 712).

Measures:

AT: Güterbeförderungsgesetz (Goods Transportation Act), BGBl. Nr. 593/1995; § 5;

Gelegenheitsverkehrsgesetz (Occasional Traffic Act), BGBl. Nr. 112/1996; § 6; and

Kraftfahrlineingesetz (Law on Scheduled Transport), BGBl. I Nr. 203/1999 as amended, §§ 7 and 8.

With respect to Investment liberalisation - National treatment, Most-favoured-nation treatment:

In EL: For operators of road freight transport services. In order to engage in the occupation of road freight transport operator a Hellenic licence is needed. Licences are granted on non-discriminatory terms, under condition of reciprocity (CPC 7123).

Measures:

EL: Licensing of road freight transport operators: Greek law 3887/2010 (Government Gazette A' 174), as amended by Article 5 of law 4038/2012 (Government Gazette A' 14).

With respect to Investment liberalisation - Market access:

In IE: Economic needs test for intercity bussing services. Main criteria: number of and impact on existing establishments, population density, geographical spread, impact on traffic conditions and creation of new employment (CPC 7121, CPC 7122).

In MT: Taxis - numerical restrictions on the number of licences apply.

Karozzini (horse drawn carriages): Numerical Restrictions on the number of licences apply (CPC 712).

In PT: Economic needs test for limousine services. Main criteria: number of and impact on existing establishments, population density, geographic spread, impact on traffic conditions and creation of new employment (CPC 71222).

Measures:

IE: Public Transport Regulation Act 2009.

MT: Taxi Services Regulations (SL499.59).

PT: Decree-Law 41/80, August 21.

With respect to Investment liberalisation – Market access and Cross-border trade in services - Local presence:

In CZ: Incorporation in the Czech Republic is required (no branches).

Measures:

CZ: Act no. 111/1994. Coll. on Road Transport.

With respect to Investment liberalisation - Market access, National treatment and Cross-border trade in services - Market access, National treatment, Most-favoured-nation treatment:

In SE: In order to engage in the occupation of road transport operator, a Swedish licence is needed. Criteria for receiving a taxi licence include that the company has appointed a natural person to act as the transport manager (a de facto residency requirement – see the Swedish reservation on types of establishment).

Measures:

SE: Yrkestrafiklag (2012:210) (Act on professional traffic);

Yrkestrafikförordning (2012:237) (Government regulation on professional traffic);

Taxitrafiklag (2012:211) (Act on Taxis); and

Taxitrafikförordning (2012:238) (Government regulation on taxis).

With respect to Cross-border trade in services – Local presence:

In SK: A taxi service concession and a permit for the operation of taxi dispatching can be granted to a person who has a residence or place of establishment in the territory of the Slovak Republic or in another EEA Member State.

Measures:

Act 56/2012 Coll. on Road Transport

(d) Services auxiliary to air transport services

With respect to Investment liberalisation - Market access, National treatment and Cross-border trade in services – Market access, National treatment:

In EU: For groundhandling services, establishment within the Union territory may be required. The level of openness of groundhandling services depends on the size of airport. The number of suppliers in each airport may be limited. For "big airports", this limit may not be less than two suppliers.

Measures:

EU: Council Directive 96/67/EC of 15 October 1996 (11).

In BE (applies also to the regional level of government): For groundhandling services, reciprocity is required.

Measures:

BE: Arrêté Royal du 6 novembre 2010 réglementant l'accès au marché de l'assistance en escale à l'aéroport de Bruxelles-National (Article 18);

Besluit van de Vlaamse Regering betreffende de toegang tot de grondafhandelingsmarkt op de Vlaamse regionale luchthavens (Article 14); and

Arrêté du Gouvernement wallon réglementant l'accès au marché de l'assistance en escale aux aéroports relevant de la Région wallonne (Article 14).

(e) Supporting services for all modes of transport (part of CPC 748)

With respect to Cross-border trade in services – Local presence:

The EU (applies also to the regional level of government): Customs clearance services may only be provided by Union residents or legal persons established in the Union.

Measures:

EU: Regulation (EU) No 952/2013 of the European Parliament and of the Council (12)

Reservation No. 17 - Energy related activities

Sector – sub-sector: Energy related activities - mining and quarrying; production, transmission and distribution on own account of electricity, gas, steam and hot water; pipeline transportation of fuels; storage and warehouse of fuels transported through pipelines; and services incidental to energy distribution

Industry classification: ISIC Rev. 3.1 10, 11, 12, 13, 14, 40, CPC 5115, 63297, 713, part of 742, 8675, 883, 887

Type of reservation: Market access

National treatment

Senior management and boards of directors

Local presence

Chapter: Investment liberalisation; Cross-border trade in services

Level of government: EU/Member State (unless otherwise specified)

Description:

(a) Mining and quarrying (ISIC Rev. 3.1 10, 11, 12, 13, 14, CPC 5115, 7131, 8675, 883)

With respect to Investment liberalisation – Market access:

In NL: The exploration for and exploitation of hydrocarbons in the Netherlands is always performed jointly by a private company and the public (limited) company designated by the Minister of Economic Affairs. Articles 81 and 82 of the Mining Act stipulate that all shares in this designated company must be directly or indirectly held by the Dutch State (ISIC Rev. 3.1 10, 3.1 11, 3.1 12, 3.1 13, 3.1 14).

In BE: The exploration for and exploitation of mineral resources and other non-living resources in territorial waters and the continental shelf are subject to concession. The concessionaire must have an address for service in Belgium (ISIC Rev. 3.1:14).

In IT (applies also to the regional level of government for exploration): Mines belonging to the State have specific exploration and mining rules. Prior to any exploitation activity, a permit for exploration is needed ("permesso di ricerca", Article 4 Royal Decree 1447/1927). This permit has a duration, defines exactly the borders of the ground under exploration and more than one exploration permit may be granted for the same area to different persons or companies (this type of licence is not necessarily exclusive). In order to cultivate and exploit minerals, an authorisation ("concessione", Article 14) from the regional authority is required (ISIC Rev. 3.1 10, 3.1 11, 3.1 12, 3.1 13, 3.1 14, CPC 8675, 883).

Measures

BE: Arrêté Royal du 1er septembre 2004 relatif aux conditions, à la délimitation géographique et à la procédure d'octroi des concessions d'exploration et d'exploitation des ressources minérales et autres ressources non vivantes de la mer territoriale et du plateau continental.

IT: Exploration services: Royal Decree 1447/1927; and Legislative Decree 112/1998, Article 34.

NL: Mijnbouwwet (Mining Act).

With respect to Investment liberalisation – Market access, National treatment, Most-favoured nation treatment:

In BG: The activities of prospecting or exploration of underground natural resources on the territory of the Republic of Bulgaria, in the continental shelf and in the exclusive economic zone in the Black Sea are subject to permission, while the activities of extraction and exploitation are subject to concession granted under the Underground Natural Resources Act.

It is forbidden for companies registered in preferential tax treatment jurisdictions (that is, offshore zones) or related, directly or indirectly, to such companies to participate in open procedures for granting permits or concessions for prospecting, exploration or extraction of natural resources, including uranium and thorium ores, as well as to operate an existing permit or concession which has been granted, as such operations are precluded, including the possibility to register the geological or commercial discovery of a deposit as a result of exploration.

The mining of uranium ore is closed by Decree of the Council of Ministers No. 163 of 20.08.1992.

With regard to exploration and mining of thorium ore, the general regime of permits and concessions applies. Decisions to allow the exploration or mining of thorium ore are taken on a non-discriminatory individual case-by-case basis.

According to Decision of the National Assembly of the Republic of Bulgaria of 18 Jan 2012 (ch. 14 June 2012) any usage of hydraulic fracturing technology that is, fracking, for activities of prospecting, exploration or extraction of oil and gas is forbidden.

Exploration and extraction of shale gas is forbidden (ISIC Rev. 3.1 10, 3.1 11, 3.112, 3.1 13,3.1 14).

Measures:

BG: Underground Natural Resources Act;

Concessions Act;

Law on Privatisation and Post-Privatisation Control;

Safe Use of Nuclear Energy Act; Decision of the National Assembly of the Republic of Bulgaria of 18 Jan 2012; Economic and Financial Relations with Companies Registered in Preferential Tax Treatment Jurisdictions, the Persons Controlled Thereby and Their Beneficial Owners Act; and Subsurface Resources Act.

With respect to Investment liberalisation – Market access, National treatment, Most-favoured nation treatment:

In CY: The Council of Ministers may refuse to allow the activities of prospecting, exploration and exploitation of hydrocarbons to be carried out by any entity which is effectively controlled by the United Kingdom or by nationals of the United Kingdom. After the granting of an authorisation, no entity may come under the direct or indirect control of the United Kingdom or a national of the United Kingdom without the prior approval of the Council of Ministers. The Council of Ministers may refuse to grant an authorisation to an entity which is effectively controlled by the United Kingdom or by a national of the United Kingdom, if the United Kingdom does not grant entities of the Republic or entities of Member States as regards access to and exercise of the activities of prospecting, exploring for and exploiting hydrocarbons, treatment comparable to that which the Republic or Member State grants entities from the United Kingdom (ISIC Rev 3.1 1110).

Measures:

CY: The Hydrocarbons (Prospecting, Exploration and Exploitation Law) of 2007, (Law 4(I)/2007) as amended.

With respect to Investment liberalisation – Market access, National treatment and Cross-border services – Local presence:

In SK: For mining, activities related to mining and geological activity, incorporation in the EEA is required (no branching). Mining and prospecting activities covered by Act of the Slovak Republic 44/1988 on protection and exploitation of natural resources are regulated on a non-discriminatory basis, including through public policy measures seeking to ensure the conservation and protection of natural resources and the environment such as the authorisation or prohibition of certain mining technologies. For greater certainty, such measures include the prohibition of the use of cyanide leaching in the treatment or refining of minerals, the requirement of a specific authorisation in the case of fracking for activities of prospecting, exploration or extraction of oil and gas, as well as prior approval by local referendum in the case of nuclear/radioactive mineral resources. This does not increase the non-conforming aspects of the existing measure for which the reservation is taken. (ISIC Rev. 3.1 10, 3.1 11, 3.1 12, 3.1 13, 3.1 14, CPC 5115, 7131, 8675 and 883).

Measures

SK: Act 51/1988 on Mining, Explosives and State Mining Administration; and Act 569/2007 on Geological Activity, Act 44/1988 on protection and exploitation of natural resources.

With respect to Investment liberalisation – Market access and Cross-border trade in services – Local presence:

In FI: The exploration for and exploitation of mineral resources are subject to a licensing requirement, which is granted by the Government in relation to the mining of nuclear material. A permit of redemption for a mining area is required from the Government. Permission may be granted to a natural person resident in the EEA or a legal person established in the EEA. An economic needs test may apply (ISIC Rev. 3.1 120, CPC 5115, 883, 8675).

In IE: Exploration and mining companies operating in Ireland are required to have a presence there. In the case of minerals exploration, there is a requirement that companies (Irish and foreign) employ either the services of an agent or a resident exploration manager in Ireland while work is being undertaken. In the case of mining, it is a requirement that a State Mining

Lease or License be held by a company incorporated in Ireland. There are no restrictions as to ownership of such a company (ISIC Rev. 3.1 10, 3.1 13, 3.1 14, CPC 883).

Measures

FI: Kaivoslaki (Mining Act) (621/2011); and

Ydinenergielaki (Nuclear Energy Act) (990/1987).

IE: Minerals Development Acts 1940 – 2017; and Planning Acts and Environmental Regulations.

With respect only to Investment – Market access, National treatment and Cross-border trade in services – Local presence:

In SI: The exploration for and exploitation of mineral resources, including regulated mining services, are subject to establishment in or citizenship of the EEA, the Swiss Confederation or an OECD Member (ISIC Rev. 3.1 10, ISIC Rev. 3.1 11, ISIC Rev. 3.1 12, ISIC Rev. 3.1 13, ISIC Rev. 3.1 14, CPC 883, CPC 8675).

Measures

SI: Mining Act 2014.

(b) Production, transmission and distribution on own account of electricity, gas, steam and hot water; pipeline transportation of fuels; storage and warehouse of fuels transported through pipelines; services incidental to energy distribution (ISIC Rev. 3.1 40, 3.1 401, CPC 63297, 713, part of 742, 74220, 887)

With respect to Investment liberalisation – Market access:

In DK: The owner or user intending to establish gas infrastructure or a pipeline for the transport of crude or refined petroleum and petroleum products and of natural gas must obtain a permit from the local authority before commencing work. The number of such permits which are issued may be limited (CPC 7131).

In MT: EneMalta plc has a monopoly for the provision of electricity (ISIC Rev. 3.1 401; CPC 887).

In NL: the ownership of the electricity network and the gas pipeline network are exclusively granted to the Dutch government (transmission systems) and other public authorities (distribution systems) (ISIC Rev. 3.1 040, CPC 71310).

Measures:

DK: Lov om naturgasforsyning, LBK 1127 05/09/2018, lov om varmforsyning, LBK 64 21/01/2019, lov om Energinet, LBK 997 27/06/2018. Bekendtgørelse nr. 1257 af 27. november 2019 om indretning, etablering og drift af olietanke, rørsystemer og pipelines (Order no. 1257 of November 27th, 2019, on the arrangement, establishment and operation of oil tanks, piping systems and pipelines).

MT: EneMalta Act Cap. 272 and EneMalta (Transfer of Assets, Rights, Liabilities & Obligations) Act Cap. 536.

NL: Elektriciteitswet 1998; Gaswet.

With respect to Investment liberalisation – Market access, National treatment, Senior management and boards of directors and Cross-border trade in services – National treatment, Local presence:

In AT: With regard to the transportation of gas authorisation is only granted to nationals of a Member State of the EEA domiciled in the EEA. Enterprises and partnerships must have their seat in the EEA. The operator of the network must appoint a Managing Director and a Technical Director who is responsible for the technical control of the operation of the network, both of whom must be nationals of a member state of the EEA.

The competent authority may waive the nationality and domiciliation requirements where the operation of the network is considered to be in the public interest.

For the transportation of goods other than gas and water, the following applies:

(i) with regard to natural persons, authorisation is only granted to EEA-nationals who must have a seat in Austria; and

(ii) enterprises and partnerships must have their seat in Austria. An Economic Needs Test or interest test is applied. Cross border pipelines must not jeopardise Austria's security interests and its status as a neutral country. Enterprises and partnerships have to appoint a managing director who must be a national of a member state of the EEA. The competent authority may waive the nationality and seat requirements if the operation of the pipeline is considered to be in the national

economic interest (CPC 713).

Measures:

AT: Rohrleitungsgesetz (Law on Pipeline Transport), BGBl. Nr. 411/1975, § 5(1) and (2), §§ 5 (1) and (3), 15, 16; and

Gaswirtschaftsgesetz 2011(Gas Act), BGBl. I Nr. 107/2011, Articles 43 and 44, Articles 90 and 93.

With respect to Investment liberalisation – Market access, National treatment, Senior management and boards of director and Cross-border trade in services – (applies only to the regional level of government) National treatment, Local presence:

In AT: With regard to transmission and distribution of electricity, authorisation is only granted to nationals of a Member State of the EEA domiciled in the EEA. If the operator appoints a managing director or a leaseholder, the domicile requirement is waived.

Legal persons (enterprises) and partnerships must have their seat in the EEA. They must appoint a managing director or a leaseholder, both of whom must be nationals of a Member State of the EEA domiciled in the EEA.

The competent authority may waive the domicile and nationality requirements where the operation of the network is considered to be in the public interest (ISIC Rev. 3.1 40, CPC 887).

Measures:

AT: Burgenländisches Elektrizitätswesengesetz 2006, LGBl. Nr. 59/2006 as amended;

Niederösterreichisches Elektrizitätswesengesetz, LGBl. Nr. 7800/2005 as amended; Landesgesetz, mit dem das Oberösterreichische Elektrizitätswirtschafts- und -organisationsgesetz 2006 erlassen wird (Oö. EIWOG 2006), LGBl. Nr. 1/2006 as amended; Salzburger Landeselektrizitätsgesetz 1999 (LEG), LGBl. Nr. 75/1999 as amended;

Gesetz vom 16. November 2011 über die Regelung des Elektrizitätswesens in Tirol (Tiroler Elektrizitätsgesetz 2012 – TEG 2012), LGBl. Nr. 134/2011;

Gesetz über die Erzeugung, Übertragung und Verteilung von elektrischer Energie (Vorarlberger Elektrizitätswirtschaftsgesetz), LGBl. Nr. 59/2003 as amended;

Gesetz über die Neuregelung der Elektrizitätswirtschaft (Wiener Elektrizitätswirtschaftsgesetz 2005 – WEIWG 2005), LGBl. Nr. 46/2005;

Steiermärkisches Elektrizitätswirtschafts- und Organisationsgesetz(ELWOG), LGBl. Nr. 70/2005; and Kärntner Elektrizitätswirtschafts-und Organisationsgesetz(ELWOG), LGBl. Nr. 24/2006.

With respect to Investment liberalisation – Market access, National treatment and Cross-border trade in services – Local presence:

In CZ: For electricity generation, transmission, distribution, trading, and other electricity market operator activities, as well as gas generation, transmission, distribution, storage and trading, as well as heat generation and distribution, authorisation is required. Such authorisation may only be granted to a natural person with a residence permit or a legal person established in the Union. Exclusive rights exist with regard to electricity and gas transmission and market operator licences (ISIC Rev. 3.1 40, CPC 7131, 63297, 742, 887).

In LT: The licences for transmission, distribution, public supply and organizing of trade of electricity may only be issued to legal persons established in the Republic of Lithuania or branches of foreign legal persons or other organisations of another Member State established in the Republic Lithuania. The permits to generate electricity, develop electricity generation capacities and build a direct line may be issued to individuals with residency in the Republic of Lithuania or to legal persons established in the Republic of Lithuania, or to branches of legal persons or other organizations of another Member States established in the Republic of Lithuania. This reservation does not apply to consultancy services related to the transmission and distribution on a fee or contract basis of electricity (ISIC Rev. 3.1 401, CPC 887).

In the case of fuels, establishment is required. Licences for transmission and distribution, storage of fuels and liquefaction of natural gas may only be issued to legal persons established in the Republic of Lithuania or branches of legal persons or other organisations (subsidiaries) of another Member State established in the Republic Lithuania.

This reservation does not apply to consultancy services related to the transmission and distribution on a fee or contract basis of fuels (CPC 713, CPC 887).

In PL: the following activities are subject to licensing under the Energy Law Act:



(i) generation of fuels or energy, except for: generation of solid or gaseous fuels; generation of electricity using electricity sources of the total capacity of not more than 50 MW other than renewable energy sources; cogeneration of electricity and heat using sources of the total capacity of not more than 5 MW other than renewable energy sources; generation of heat using the sources of the total capacity of not more than 5 MW;

(ii) storage of gaseous fuels in storage installations, liquefaction of natural gas and regasification of liquefied natural gas at LNG installations, as well as the storage of liquid fuels, except for: the local storage of liquid gas at installations of the capacity of less than 1 MJ/s capacity and the storage of liquid fuels in retail trade;

(iii) transmission or distribution of fuels or energy, except for: the distribution of gaseous fuels in grids of less than 1 MJ/s capacity and the transmission or distribution of heat if the total capacity ordered by customers does not exceed 5 MW;

(iv) trade in fuels or energy, except for: the trade in solid fuels; the trade in electricity using installations of voltage lower than 1 kV owned by the customer; the trade in gaseous fuels if their annual turnover value does not exceed the equivalent of EUR 100 000; the trade in liquid gas, if the annual turnover value does not exceed EUR 10 000; and the trade in gaseous fuels and electricity performed on commodity exchanges by brokerage houses which conduct the brokerage activity on the exchange commodities on the basis of the Act of 26 October 2000 on commodity exchanges, as well as the trade in heat if the capacity ordered by the customers does not exceed 5 MW. The limits on turnover do not apply to wholesale trade services in gaseous fuels or liquid gas or to retail services of bottled gas.

A licence may only be granted by the competent authority to an applicant that has registered their principal place of business or residence in the territory of a Member State of the EEA or the Swiss Confederation (ISIC Rev. 3.1 040, CPC 63297, 74220, CPC 887).

Measures:

CZ: Act No. 458/2000 Coll on Business conditions and public administration in the energy sectors (The Energy Act).

LT: Law on Natural Gas of the Republic of Lithuania of 10 October 2000 No VIII-1973; and Law on electricity of the Republic of Lithuania of 20 July 2000 No VIII-1881.

PL: Energy Law Act of 10 April 1997, Articles 32 and 33.

With respect to Cross-border trade in services – Local presence:

In SI: The production, trading, supply to final customers, transmission and distribution of electricity and natural gas is subject to establishment in the Union (ISIC Rev. 3.1 4010, 4020, CPC 7131, CPC 887).

Measures:

SI: Energetski zakon (Energy Act) 2014, Official Gazette RS, nr. 17/2014; and Mining Act 2014.

Reservation No. 18 - Agriculture, fishing and manufacturing

Sector – sub-sector: Agriculture, hunting, forestry; animal and reindeer husbandry, fishing and aquaculture; publishing, printing and reproduction of recorded media

Industry classification: ISIC Rev. 3.1 011, 012, 013, 014, 015, 1531, 050, 0501, 0502, 221, 222, 323, 324, CPC 881, 882, 88442

Type of reservation: Market access

National treatment

Most-favoured-nation treatment

Performance requirements

Senior management and boards of directors

Local presence

Chapter: Investment liberalisation; Cross-border trade in services

Level of government: EU/Member State (unless otherwise specified)

Description:

(a) Agriculture, hunting and forestry (ISIC Rev. 3.1 011, 012, 013, 014, 015, 1531, CPC 881)

With respect to Investment liberalisation – National treatment:

In IE: Establishment by foreign residents in flour milling activities is subject to authorisation (ISIC Rev. 3.1 1531).

Measures:

IE: Agriculture Produce (Cereals) Act, 1933.

With respect to Investment liberalisation – Market access, National treatment:

In FI: Only nationals of a Member State of the EEA resident in the reindeer herding area may own reindeer and practice reindeer husbandry. Exclusive rights may be granted.

In FR: Prior authorisation is required in order to become a member or act as a director of an agricultural cooperative (ISIC Rev. 3.1 011, 012, 013, 014, 015).

In SE: Only Sami people may own and practice reindeer husbandry.

Measures:

FI: Poronhoitolaki (Reindeer Husbandry Act) (848/1990), Chapter 1, s. 4, Protocol 3 to the Accession Treaty of Finland.

FR: Code rural et de la pêche maritime.

SE: Reindeer Husbandry Act (1971:437), section 1.

(b) Fishing and aquaculture (ISIC Rev. 3.1 050, 0501, 0502, CPC 882)

With respect to Investment liberalisation – Market access, National treatment and Cross-border services: Market access:

In FR: A French vessel flying the French flag may be issued a fishing authorisation or may be allowed to fish on the basis of national quotas only when a real economic link on the territory of France is established and the vessel is directed and controlled from a permanent establishment located on the territory of France (ISIC Rev. 3.1 050, CPC 882).

Measures:

FR: Code rural et de la pêche maritime.

(c) Manufacturing - Publishing, printing and reproduction of recorded media (ISIC Rev. 3.1 221, 222, 323, 324, CPC 88442)

With respect to Investment liberalisation – Market access, National treatment and Cross-border services: Market access, National treatment, Local presence:

In LV: Only legal persons incorporated in Latvia, and natural persons of Latvia have the right to found and publish mass media. Branches are not allowed (CPC 88442).

Measures:

LV: Law on the Press and Other Mass Media, s. 8.

With respect to Investment liberalisation – National treatment and Cross-border trade in services – Local presence:

In DE (applies also to the regional level of government): Each publicly distributed or printed newspaper, journal, or periodical must clearly indicate a "responsible editor" (the full name and address of a natural person). The responsible editor may be required to be a permanent resident of Germany, the Union or an EEA Member State. Exceptions may be allowed by the Federal Minister of the Interior (ISIC Rev. 3.1 223, 224).

Measures:

DE:

Regional level:

Gesetz über die Presse Baden-Württemberg (LPG BW);

Bayerisches Pressegesetz (BayPrG);

Berliner Pressegesetz (BlnPrG);

Brandenburgisches Landespressegesetz (BbgPG);

Gesetz über die Presse Bremen (BrPrG);

Hamburgisches Pressegesetz;

Hessisches Pressegesetz (HPresseG);

Landespressegesetz für das Land Mecklenburg-Vorpommern (LPrG M-V);

Niedersächsisches Pressegesetz (NPresseG);

Pressegesetz für das Land Nordrhein-Westfalen (Landespressegesetz NRW);

Landesmediengesetz (LMG) Rheinland-Pfalz;

Saarländisches Mediengesetz (SMG);

Sächsisches Gesetz über die Presse (SächsPresseG);

Pressegesetz für das Land Sachsen-Anhalt (Landespressegesetz);

Gesetz über die Presse Schleswig-Holstein (PressG SH);

Thüringer Pressegesetz (TPG).

With respect to Investment liberalisation – Market Access, National Treatment:

In IT: In so far as the United Kingdom allow Italian investors to own more than 49 per cent of the capital and voting rights in a publishing company of the United Kingdom, then Italy will allow investors of the United Kingdom to own more than 49 per cent of the capital and voting rights in an Italian publishing company under the same conditions (ISIC Rev. 3.1 221, 222).

Measures:

IT: Law 416/1981, Article 1 (and subsequent amendments).

With respect to Investment liberalisation – Senior management and boards of directors:

In PL: Nationality is required for the editor-in-chief of newspapers and journals (ISIC Rev. 3.1 221, 222).

Measures:

PL: Act of 26 January 1984 on Press law, Journal of Laws, No. 5, item 24, with subsequent amendments.

With respect to Investment liberalisation – National treatment and Cross-border trade in services –National treatment, Local presence:

In SE: Natural persons who are owners of periodicals that are printed and published in Sweden must reside in Sweden or be nationals of a Member State of the EEA. Owners of such periodicals who are legal persons must be established in the EEA. Periodicals that are printed and published in Sweden and technical recordings must have a responsible editor, who must be domiciled in Sweden (ISIC Rev. 3.1 22, CPC 88442).

Measures:

SE: Freedom of the press act (1949:105);

Fundamental law on Freedom of Expression (1991:1469); and

Act on ordinances for the Freedom of the Press Act and the Fundamental law on Freedom of Expression (1991:1559).

## **Schedule of the United Kingdom**

Reservation No. 1 – All sectors

Reservation No. 2 – Professional services (all professions except health-related)

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Reservation No. 1 – All sectors

Sector

All sectors

Type of reservation:

Market access

National treatment

Most favoured nation treatment

Senior management and boards of directors

Performance requirements

Chapter:

Investment liberalisation

Level of government:

Central and Regional (unless otherwise specified)

Description:

With respect to Investment liberalisation – Performance requirements

The United Kingdom may enforce a commitment or undertaking given in accordance with the provisions governing post-offer undertakings in the City Code on Takeovers and Mergers, or pursuant to Deeds of Undertaking in relation to takeovers or mergers, where the commitment or undertaking is not imposed or required as a condition of approval of the takeover or merger.

Measures:

The City Code on Takeovers and Mergers

Companies Act 2006

Law of Property (Miscellaneous Provisions) Act 1989 as regards enforcement of Deeds of Undertaking in relation to takeovers or mergers

With respect to Investment liberalisation – Market access, National treatment and Senior management and boards of directors

This reservation applies only to health, social or education services:

The UK, when selling or disposing of its equity interests in, or the assets of, an existing state enterprise or an existing governmental entity providing health, social or education services (CPC 93, 92), may prohibit or impose limitations on the ownership of such interests or assets, and on the ability of owners of such interests and assets to control any resulting enterprise, by investors of the Union or their enterprises. With respect to such a sale or other disposition, the UK may adopt or maintain any measure relating to the nationality of senior management or members of the boards of directors, as well as any measure limiting the number of suppliers.

For the purposes of this reservation:

(i) any measure maintained or adopted after entry into force of this Agreement that, at the time of the sale or other disposition, prohibits or imposes limitations on the ownership of equity interests or assets or imposes nationality requirements or imposes limitations on the numbers of suppliers as described in this reservation shall be deemed to be an existing measure; and

(ii) "state enterprise" means an enterprise owned or controlled through ownership interests by the UK and includes an enterprise established after entry into force of this Agreement solely for the purposes of selling or disposing of equity interests in, or the assets of, an existing state enterprise or governmental entity.

Measures:

As set out in the Description element as indicated above.

Reservation No. 2 – Professional services (all professions except health-related)

Sector – sub-sector:

Professional services – legal services; auditing services

Industry classification:

Part of CPC 861, CPC 862

Type of reservation:

Market access

National treatment

Local presence

Chapter:

Investment liberalisation and Cross-border trade in services

Level of government:

Central and Regional (unless otherwise specified)

Description:

(a) Legal services (part of CPC 861)

In order to provide certain legal services, it may be necessary to obtain authorisation or a licence from a competent authority, or to comply with registration requirements. To the extent that the requirements for obtaining authorisation or a licence, or registration, are non-discriminatory and conform with commitments imposed by Article 194 of this Agreement, they are not listed. These may, for example, include a requirement to having obtained specified qualifications, having completed a recognised period of training, or requiring upon membership an office or a post address within the competent authority's jurisdiction.

With respect to Investment liberalisation – Market access, National treatment and Cross-border trade in services – Market access, Local presence, National treatment:

Residency (commercial presence) may be required by the relevant professional or regulatory body for the provision of some UK domestic legal services. Non-discriminatory legal form requirements apply.

Residency may be required by the relevant professional or regulatory body for the provision of certain UK domestic legal services in relation to immigration.

Measures:

For England and Wales, the Solicitors Act 1974, the Administration of Justice Act 1985 and the Legal Services Act 2007. For Scotland, the Solicitors (Scotland) Act 1980 and the Legal Services (Scotland) Act 2010. For Northern Ireland, the Solicitors (Northern Ireland) Order 1976. For all jurisdictions, the Immigration and Asylum Act 1999. In addition, the measures applicable in each jurisdiction include any requirements set by professional and regulatory bodies.

(b) Auditing services (CPC 86211, 86212 other than accounting and bookkeeping services)

With respect to Investment liberalisation – National treatment and cross-border trade in Services – National treatment:

The competent authorities of the UK may recognise the equivalence of the qualifications of an auditor who is a national of the Union or of any third country in order to approve them to act as a statutory auditor in the UK subject to reciprocity (CPC 8621).

Measures:

The Companies Act 2006

Reservation No. 3 – Professional services (veterinary services)

Sector – sub-sector:

Professional services – veterinary services

Industry classification:

CPC 932

Type of reservation:

Market access

Local presence

Chapter:

Investment liberalisation and Cross-border trade in services

Level of government:

Central and Regional (unless otherwise specified)

Description:

Physical presence is required to perform veterinary surgery. The practice of veterinary surgery is reserved to qualified veterinary surgeons who are registered with the Royal College of Veterinary Surgeons (RCVS).

Measures:

Veterinary Surgeons Act 1966

Reservation No. 4 – Research and development services

Sector – sub-sector:

Research and development (R&D) services

Industry classification:

CPC 851, 853

Type of reservation:

Market access

National treatment

Local presence

Chapter:

Investment liberalisation and Cross-border trade in services

Level of government:

Central and Regional (unless otherwise specified)

Description:

For publicly funded research and development (R&D) services benefitting from funding provided by the UK, exclusive rights or authorisations may only be granted to nationals of the UK and to legal persons of the UK having their registered office, central administration or principal place of business in the UK (CPC 851, 853).

This reservation is without prejudice to Part Five of this Agreement and to the exclusion of procurement by a Party or subsidies or grants provided by the Parties in Article 123(6) and (7) of this Agreement.

Measures:

All currently existing and all future research or innovation programmes.

Reservation No. 5 – Business services

Sector – sub-sector:

Business services – rental or leasing services without operators and other business services

Industry classification:

Part of CPC 831

Type of reservation:

Market access

National treatment

Most-favoured-nation treatment

Chapter:

Investment liberalisation and Cross-border trade in services

Level of government:

Central and Regional (unless otherwise specified)

Description:

For rental or leasing of aircraft without crew (dry lease) aircraft used by an air carrier of the UK are subject to applicable aircraft registration requirements. A dry lease agreement to which a UK carrier is a party shall be subject to requirements in the national law on aviation safety, such as prior approval and other conditions applicable to the use of third countries' registered aircraft. To be registered, aircraft may be required to be owned either by natural persons meeting specific nationality criteria or by enterprises meeting specific criteria regarding ownership of capital and control (CPC 83104).

With respect to computer reservation system (CRS) services, where the UK air carriers are not accorded, by CRS services suppliers operating outside the UK, equivalent (meaning non-discriminatory) treatment to that provided in the UK, or where UK CRS services suppliers are not accorded, by non-UK air carriers, equivalent treatment to that provided in the UK, measures may be taken to accord equivalent discriminatory treatment, respectively, to the non-UK air carriers by the CRS services suppliers operating in the UK, or to the non-UK CRS services suppliers by UK air carriers.

Measures:

Regulation (EC) No 1008/2008 of the European Parliament and of the Council of 24 September 2008 on common rules for the operation of air services in the Community (Recast) as retained in UK law by the European Union (Withdrawal) Act 2018 and as amended by the Operation of Air Services (Amendment etc.) (EU Exit) Regulations (S.I. 2018/1392).

Regulation (EC) No 80/2009 of the European Parliament and of the Council of 14 January 2009 on a Code of Conduct for computerised reservation systems and repealing Council Regulation (EEC) No 2299/89, as retained in UK law by the European Union (Withdrawal) Act 2018 and as amended by the Computer Reservation Systems (Amendment) (EU Exit) Regulations 2018 (S.I. 2018/1080).

Reservation No. 6 – Communication services

Sector – sub-sector:

Communication services - postal and courier services

Industry classification:

Part of CPC 71235, part of 73210, part of 751

Type of reservation:

Market access

Chapter:

Investment liberalisation and Cross-border trade in services

Level of government:

Central and Regional (unless otherwise specified)

Description:

The organisation of the siting of letter boxes on the public highway, the issuing of postage stamps and the provision of the registered mail service used in the course of judicial or administrative procedures may be restricted in accordance with national legislation. For greater certainty, postal operators may be subject to particular universal service obligations or a financial contribution to a compensation fund.

Measures:

Postal Services Act 2000 and Postal Services Act 2011

Reservation No. 7 – Transport services and services auxiliary to transport services

Sector – sub-sector:

Transport services - auxiliary services for water transport, auxiliary services to rail transport, services auxiliary to road transport, services auxiliary to air transport services

Industry classification:

CPC 711, 712, 721, 741, 742, 743, 744, 745, 746, 748, 749

Type of reservation:

Market access

National treatment

Local presence

Chapter:

Investment liberalisation and Cross-border trade in services

Level of government:

Central and Regional (unless otherwise specified)

Description:

(a) Services auxiliary to air transport services (CPC 746)

With respect to Investment liberalisation - Market access and Cross-border trade in services - Market access:

The level of openness of groundhandling services depends on the size of airport. The number of suppliers in each airport may be limited. For "big airports", this limit may not be less than two suppliers.

Measures:

The Airports (Groundhandling) Regulations 1997 (S.I. 1997/2389)



(b) Supporting services for all modes of transport

With respect to Investment liberalisation - National treatment and Cross-border trade in services - Market access, Local presence, National treatment:

Customs services, including customs clearance services and services relating to use of temporary storage facilities or customs warehouses, may only be provided by persons established in the UK. For the avoidance of doubt, this includes UK residents, persons with a permanent place of business in the UK or a registered office in the UK.

Measures:

Taxation (Cross-Border Trade Act) 2018; the Customs and Excise Management Act 1979; the Customs (Export) (EU Exit) Regulations 2019; the Customs (Import Duty) (EU Exit) Regulations 2018; the Customs (Special Procedures and Outward Processing) (EU Exit) Regulations 2018; the Customs and Excise (Miscellaneous Provisions and Amendments) (EU Exit) Regulations 2019/1215.

(c) Auxiliary services for water transport

With respect to Investment liberalisation – Market access, and Cross-border trade in Services – Market access:

For port services, the managing body of a port, or the competent authority, may limit the number of providers of port services for a given port service.

Measures:

Regulation (EU) 2017/352 of 15 February 2017 establishing a framework for the provision of port services and common rules on the financial transparency of ports, Article 6 as retained in UK law by the European Union (Withdrawal) Act 2018 and as amended by the Pilotage and Port Services (Amendment) (EU Exit) Regulations 2020 (S.I. 2020/671)

Port Services Regulations 2019

Reservation No. 8 – Energy related activities

Sector – sub-sector:

Energy related activities - mining and quarrying

Industry classification:

ISIC Rev. 3.1 11, 8675, 883

Type of reservation:

Market access

Chapter:

Investment liberalisation and Cross-border trade in services

Level of government:

Central and Regional (unless otherwise specified)

Description:

A licence is necessary to undertake exploration and production activities on the UK Continental Shelf (UKCS), and to provide services which require direct access to or exploitation of natural resources.

This reservation applies to production licences issued with respect to the UK Continental Shelf. To be a Licensee, a company must have a place of business within the UK. That means either:

(i) a staffed presence in the UK;

(ii) registration of a UK company at Companies House; or

(iii) registration of a UK branch of a foreign company at Companies House.

This requirement exists for any company applying for a new licence and for any company seeking to join an existing licence

by assignment. It applies to all licences and to all enterprises, whether operator or not. To be a party to a licence that covers a producing field, a company must: (a) be registered at Companies House as a UK company; or (b) carry on its business through a fixed place of business in the UK as defined in section 148 of the Finance Act 2003 (which normally requires a staffed presence) (ISIC Rev. 3.1 11, CPC 883, 8675).

Measures:

Petroleum Act 1998

(1) For the purposes of this reservation:

(a) "host-jurisdiction law" means the law of the specific Member State and Union law; "home-jurisdiction law" means the law of the United Kingdom;

(b) "international law" means public international law with the exception of European Union law, and includes law established by international treaties and conventions, as well as international customary law;

(c) "legal advisory services" includes provision of advice to and consultation with clients in matters, including transactions, relationships and disputes, involving the application or interpretation of law; participation with or on behalf of clients in negotiations and other dealings with third parties in such matters; and preparation of documents governed in whole or in part by law, and the verification of documents of any kind for purposes of and in accordance with the requirements of law;

(d) "legal representational services" includes preparation of documents intended to be submitted to administrative agencies, the courts or other duly constituted official tribunals; and appearance before administrative agencies, the courts or other duly constituted official tribunals;

(e) "legal arbitration, conciliation and mediation services" means the preparation of documents to be submitted to, the preparation for and appearance before, an arbitrator, conciliator or mediator in any dispute involving the application and interpretation of law. It does not include arbitration, conciliation and mediation services in disputes not involving the application and interpretation of law, which fall under services incidental to management consulting. It also does not include acting as an arbitrator, conciliator or mediator. As a sub-category, international legal arbitration, conciliation or mediation services refers to the same services when the dispute involves parties from two or more countries.

(2) Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark (OJ EU L 154, 16.6.2017, p. 1).

(3) Council Regulation (EC) No 6/2002 of 12 December 2001 on Community designs (OJ EU L 3, 5.1.2002, p. 1).

(4) Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC (OJ EU L 182, 29.6.2013, p. 19).

(5) Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts, amending Council Directives 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253/EEC (OJ EU L 157, 9.6.2006, p. 87).

(6) Regulation (EC) No 1008/2008 of the European Parliament and of the Council of 24 September 2008 on common rules for the operation of air services in the Community (OJ EU L 293 31.10.2008, p. 3).

(7) Regulation (EC) No 80/2009 of the European Parliament and of the Council of 14 January 2009 on a Code of Conduct for computerised reservation systems and repealing Council Regulation (EEC) No 2299/89 (OJ EU L 35, 4.2.2009, p. 47).

(8) Directive 97/67/EC of the European Parliament and of the Council of 15 December 1997 on common rules for the development of the internal market of Community postal services and the improvement of quality of service (OJ EU L 15 21.1.1998, p. 14).

(9) Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012 (OJ EU L 257 28.8.2014, p. 1).

(10) Regulation (EU) 2017/352 of the European Parliament and of the Council of 15 February 2017 establishing a framework for the provision of port services and common rules on the financial transparency of ports (OJ EU L 57 3.3.2017, p. 1).

(11) Council Directive 96/67/EC of 15 October 1996 on access to the groundhandling market at Community airports (OJ EU

L 272, 25.10.1996, p. 36).

(12) Regulation (EU) No 952/2013 of the European Parliament and of the Council of 9 October 2013 laying down the Union Customs Code (OJ EU L 269, 10.10.2013, p. 1).

## **ANNEX 20. FUTURE MEASURES**

### **Headnotes**

1. The Schedules of the United Kingdom and the Union set out, under Articles 133, 139 and 195 of this Agreement, the reservations taken by the United Kingdom and the Union with respect to existing measures that do not conform with obligations imposed by:

- (a) Article 128 or 135 of this Agreement;
- (b) Article 136 of this Agreement;
- (c) Article 129 or 137 of this Agreement;
- (d) Article 130 or 138 of this Agreement;
- (e) Article 131 of this Agreement;
- (f) Article 132 of this Agreement;
- (g) Article 194 of this Agreement.

2. The reservations of a Party are without prejudice to the rights and obligations of the Parties under GATS.

3. Each reservation sets out the following elements:

- (a) "sector" refers to the general sector in which the reservation is taken;
- (b) "sub-sector" refers to the specific sector in which the reservation is taken;
- (c) "industry classification" refers, where applicable, to the activity covered by the reservation according to the CPC, ISIC rev 3.1, or as expressly otherwise described in a Party's reservation;
- (d) "type of reservation" specifies the obligation referred to in paragraph 1 for which a reservation is taken;
- (e) "description" sets out the scope of the sector, sub-sector or activities covered by the reservation; and
- (f) "existing measures" identifies, for transparency purposes, existing measures that apply to the sector, sub-sector or activities covered by the reservation.

4. In the interpretation of a reservation, all elements of the reservation shall be considered. The "description" element shall prevail over all other elements.

5. For the purposes of the Schedules of the United Kingdom and the European Union:

- (a) "ISIC Rev. 3.1" means the International Standard Industrial Classification of All Economic Activities as set out in Statistical Office of the United Nations, Statistical Papers, Series M, No.4, ISIC Rev. 3.1, 2002;
- (b) "CPC" means the Provisional Central Product Classification (Statistical Papers, Series M No. 77, Department of International Economic and Social Affairs, Statistical Office of the United Nations, New York, 1991).

6. For the purposes of the Schedules of the United Kingdom and the Union, a reservation for a requirement to have a local presence in the territory of the Union or the United Kingdom is taken against Article 136 of this Agreement, and not against Article 135 or 137 of this Agreement. Furthermore, such a requirement is not taken as a reservation against Article 129 of this Agreement.

7. A reservation taken at the level of the Union applies to a measure of the Union, to a measure of a Member State at the central level or to a measure of a government within a Member State, unless the reservation excludes a Member State. A reservation taken by a Member State applies to a measure of a government at the central, regional or local level within that Member State. For the purposes of the reservations of Belgium, the central level of government covers the federal government and the governments of the regions and the communities as each of them holds equipollent legislative powers.

For the purposes of the reservations of the Union and its Member States, a regional level of government in Finland means the Åland Islands. A reservation taken at the level of the United Kingdom applies to a measure of the central government, a regional government or a local government.

8. The list of reservations below does not include measures relating to qualification requirements and procedures, technical standards and licensing requirements and procedures where they do not constitute a market access or a national treatment limitation within the meaning of Article 128, 129, 135, 136, 137 or 194 of this Agreement. These measures may include, in particular the need to obtain a licence, to satisfy universal service obligations, to have recognised qualifications in regulated sectors, to pass specific examinations, including language examinations, to fulfil a membership requirement of a particular profession, such as membership in a professional organisation, to have a local agent for service, or to maintain a local address, or any other non-discriminatory requirements that certain activities may not be carried out in protected zones or areas. While not listed, such measures continue to apply.

9. For greater certainty, for the Union, the obligation to grant national treatment does not entail the requirement to extend to natural or legal persons of the United Kingdom the treatment granted in a Member State, pursuant to the Treaty on the Functioning of the European Union, or any measure adopted pursuant to that Treaty, including their implementation in the Member States, to:

(a) natural persons or residents of another Member State; or

(b) legal persons constituted or organised under the law of another Member State or of the Union and having their registered office, central administration or principal place of business in the Union.

10. Treatment granted to legal persons established by investors of a Party in accordance with the law of the other Party (including, in the case of the Union, the law of a Member State) and having their registered office, central administration or principal place of business within that other Party, is without prejudice to any condition or obligation, consistent with Chapter 2 of Title II of Heading One of Part Two of this Agreement, which may have been imposed on such legal person when it was established in that other Party, and which shall continue to apply.

11. The Schedules apply only to the territories of the United Kingdom and the European Union in accordance with Article 520(2) and Article 774 of this Agreement and are only relevant in the context of trade relations between the Union and its Member States with the United Kingdom. They do not affect the rights and obligations of the Member States under Union law.

12. For greater certainty, non-discriminatory measures do not constitute a market access limitation within the meaning of Article 128, 135 or 194 of this Agreement for any measure:

(a) requiring the separation of the ownership of infrastructure from the ownership of the goods or services provided through that infrastructure to ensure fair competition, for example in the fields of energy, transportation and telecommunications;

(b) restricting the concentration of ownership to ensure fair competition;

(c) seeking to ensure the conservation and protection of natural resources and the environment, including a limitation on the availability, number and scope of concessions granted, and the imposition of a moratorium or ban;

(d) limiting the number of authorisations granted because of technical or physical constraints, for example telecommunications spectra and frequencies; or

(e) requiring that a certain percentage of the shareholders, owners, partners, or directors of an enterprise be qualified or practice a certain profession such as lawyers or accountants.

13. With respect to financial services: Unlike foreign subsidiaries, branches established directly in a Member State by a non-European Union financial institution are not, with certain limited exceptions, subject to prudential regulations harmonised at European Union level which enable such subsidiaries to benefit from enhanced facilities to set up new establishments and to provide cross-border services throughout the Union. Therefore, such branches receive an authorisation to operate in the territory of a Member State under conditions equivalent to those applied to domestic financial institutions of that Member State, and may be required to satisfy a number of specific prudential requirements such as, in the case of banking and securities, separate capitalisation and other solvency requirements and reporting and publication of accounts requirements or, in the case of insurance, specific guarantee and deposit requirements, a separate capitalisation, and the localisation in the Member State concerned of the assets representing the technical reserves and at least one third of the solvency margin.

The following abbreviations are used in the list of reservations below:

UK United Kingdom

EU European Union, including all its Member States

AT Austria

BE Belgium

BG Bulgaria

CY Cyprus

CZ Czechia

DE Germany

DK Denmark

EE Estonia

EL Greece

ES Spain

FI Finland

FR France

HR Croatia

HU Hungary

IE Ireland

IT Italy

LT Lithuania

LU Luxembourg

LV Latvia

MT Malta

NL The Netherlands

PL Poland

PT Portugal

RO Romania

SE Sweden

SI Slovenia

SK Slovak Republic

## **Schedule of the Union**

Reservation No. 1 - All sectors

Reservation No. 2 - Professional services – other than health related services

Reservation No. 3 - Professional services – health related and retail of pharmaceuticals

Reservation No. 4 - Business Services - Research and development services

Reservation No. 5 - Business Services - Real estate services

Reservation No. 6 - Business services - Rental or leasing services

Reservation No. 7 - Business Services - Collection agency services and Credit reporting services

Reservation No. 8 - Business Services - Placement services

Reservation No. 9 - Business Services - Security and investigation services

Reservation No. 10 - Business Services - Other business services

Reservation No. 11 - Telecommunication

Reservation No. 12 - Construction

Reservation No. 13 - Distribution services

Reservation No. 14 - Education services

Reservation No. 15 - Environmental services

Reservation No. 16 - Financial Services

Reservation No. 17 - Health services and social services

Reservation No. 18 - Tourism and travel related services

Reservation No. 19 - Recreational, cultural and sporting services

Reservation No. 20 - Transport services and auxiliary transport services

Reservation No. 21 - Agriculture, fishing and water

Reservation No. 22 - Energy related activities

Reservation No. 23 - Other services not included elsewhere

Reservation No. 1 - All sectors

Sector:

All sectors

Type of reservation:

Market access

National treatment

Most-favoured-nation treatment

Senior management and boards of directors

Performance requirements

Local presence

Obligations for legal services

Chapter/Section:

Investment liberalisation, Cross-border trade in services and Regulatory framework for legal services

Description:

The EU reserves the right to adopt or maintain any measure with respect to the following:

(a) Establishment

With respect to Investment liberalisation – Market access:

The EU: Services considered as public utilities at a national or local level may be subject to public monopolies or to exclusive rights granted to private operators.

Public utilities exist in sectors such as related scientific and technical consulting services, research and development (R&D) services on social sciences and humanities, technical testing and analysis services, environmental services, health services, transport services and services auxiliary to all modes of transport. Exclusive rights on such services are often granted to private operators, for instance operators with concessions from public authorities, subject to specific service obligations. Given that public utilities often also exist at the sub-central level, detailed and exhaustive sector-specific scheduling is not practical. This reservation does not apply to telecommunications and to computer and related services.

With respect to Investment liberalisation – Market access, National treatment; Cross-border trade in services – Market access, National treatment and Regulatory framework for legal services – Obligations:

In FI: Restrictions on the right for natural persons, who do not enjoy regional citizenship in Åland, and for legal persons, to acquire and hold real property on the Åland Islands without obtaining permission from the competent authorities of the Åland Islands. Restrictions on the right of establishment and right to carry out economic activities by natural persons, who do not enjoy regional citizenship in Åland, or by any enterprise, without obtaining permission from the competent authorities of the Åland Islands.

Existing measures:

FI: Ahvenanmaan maanhankintalaki (Act on land acquisition in Åland) (3/1975), s. 2; and Ahvenanmaan itsehallintolaki (Act on the Autonomy of Åland) (1144/1991), s. 11.

With respect to Investment liberalisation – Market access, National treatment, Performance requirements, Senior management and boards of directors; Regulatory Framework for legal services – Obligations:

In FR: Pursuant to articles L151-1 and 151-1 et seq of the financial and monetary code, foreign investments in France in sectors listed in article R.151-3 of the financial and monetary code are subject to prior approval from the Minister for the Economy.

Existing measures:

FR: As set out in the description element as indicated above.

With respect to Investment liberalisation – National treatment, Senior management and boards of directors:

In FR: Limiting foreign participation in newly privatised companies to a variable amount, determined by the government of France on a case by case basis, of the equity offered to the public. For establishing in certain commercial, industrial or artisanal activities, a specific authorisation is needed if the managing director is not a holder of a permanent residence permit.

With respect to Investment liberalisation – Market access and Regulatory framework for legal services – Obligations:

In HU: Establishment should take a form of limited liability company, joint-stock company or representative office. Initial entry as a branch is not permitted except for financial services.

With respect to Investment liberalisation – Market access, National treatment:

In BG: Certain economic activities related to the exploitation or use of State or public property are subject to concessions granted under the provisions of the Concessions Act.

In commercial corporations in which the State or a municipality holds a share in the capital exceeding 50 per cent, any transactions for disposition of fixed assets of the corporation, to conclude any contracts for acquisition of participating interest, lease, joint activity, credit, securing of receivables, as well as incurring any obligations arising under bills of exchange, are subject to authorisation or permission by the Privatisation Agency or other state or regional bodies, whichever is the competent authority. This reservation does not apply to mining and quarrying, which are subject to a separate reservation in the Schedule of the Union in Annex 19 to this Agreement.

In IT: The Government may exercise certain special powers in enterprises operating in the areas of defence and national security, and in certain activities of strategic importance in the areas of energy, transport and communications. This applies to all juridical persons carrying out activities considered of strategic importance in the areas of defence and national security, not only to privatised companies.

If there is a threat of serious injury to the essential interests of defence and national security, the Government has following

special powers to:

(a) to impose specific conditions in the purchase of shares;

(b) to veto the adoption of resolutions relating to special operations such as transfers, mergers, splitting up and changes of activity; or

(c) to reject the acquisition of shares, where the buyer seeks to hold a level of participation in the capital that is likely to prejudice the interests of defence and national security.

Any resolution, act or transaction (such as transfers, mergers, splitting up, change of activity or termination) relating to strategic assets in the areas of energy, transport and communications shall be notified by the concerned company to the Prime Minister's office. In particular, acquisitions by any natural or juridical person outside the European Union that give this person control over the company shall be notified.

The Prime Minister may exercise the following special powers:

(a) to veto any resolution, act and transaction that constitutes an exceptional threat of serious injury to the public interest in the security and operation of networks and supplies;

(b) to impose specific conditions in order to guarantee the public interest; or

(c) to reject an acquisition in exceptional cases of risk to the essential interests of the State.

The criteria on which to evaluate the real or exceptional threat and conditions and procedures for the exercise of the special powers are laid down in the law.

Existing measures:

IT: Law 56/2012 on special powers in companies operating in the field of defence and national security, energy, transport and communications; and

Decree of the Prime Minister DPCM 253 of 30.11.2012 defining the activities of strategic importance in the field of defence and national security.

With respect to Investment liberalisation – Market access, National treatment, Most-favoured nation treatment, Performance requirements, Senior management and boards of directors:

In LT: Enterprises, sectors and facilities of strategic importance to national security.

Existing measures:

LT: Law on the Protection of Objects of Importance to Ensuring National Security of the Republic of Lithuania of 10 October 2002 No. IX-1132 (as last amended on 12 of January 2018 No XIII-992).

With respect to Investment liberalisation – National treatment and Senior management and boards of directors:

In SE: Discriminatory requirements for founders, senior management and boards of directors when new forms of legal association are incorporated into Swedish law.

(b) Acquisition of real estate

With respect to Investment liberalisation – Market access, National treatment, Senior management and boards of directors:

In HU: The acquisition of state-owned properties.

With respect to Investment liberalisation – Market access, National treatment:

In HU: The acquisition of arable land by foreign legal persons and non-resident natural persons.

Existing measures:

HU: Act CXXII of 2013 on the circulation of agricultural and forestry land (Chapter II (Paragraph 6-36) and Chapter IV (Paragraph 38-59)); and

Act CCXII of 2013 on the transitional measures and certain provisions related to Act CXXII of 2013 on the circulation of agricultural and forestry land (Chapter IV (Paragraph 8-20)).



In LV: The acquisition of rural land by nationals of the United Kingdom or of a third country.

Existing measures:

LV: Law on land privatisation in rural areas, ss. 28, 29, 30.

In SK: Foreign companies or natural persons may not acquire agricultural and forest land outside the borders of the built-up area of a municipality and some other land (e.g. natural resources, lakes, rivers, public roads etc.).

Existing measures:

SK: Act No 44/1988 on protection and exploitation of natural resources;

Act No 229/1991 on regulation of the ownership of land and other agricultural property;

Act No 460/1992 Constitution of the Slovak Republic;

Act No 180/1995 on some measures for land ownership arrangements;

Act No 202/1995 on Foreign Exchange;

Act No 503/2003 on restitution of ownership to land;

Act No 326/2005 on Forests; and

Act No 140/2014 on the acquisition of ownership of agricultural land.

With respect to Investment liberalisation – National treatment and Cross-border trade in services – Local presence:

In BG: Foreign natural and legal persons cannot acquire land. Legal persons of Bulgaria with foreign participation cannot acquire agricultural land. Foreign legal persons and foreign natural persons with permanent residence abroad can acquire buildings and real estate property rights (right to use, right to build, right to raise a superstructure and servitudes). Foreign natural persons with permanent residence abroad, foreign legal persons in which foreign participation ensures a majority in adopting decisions or blocks the adoption of decisions, can acquire real estate property rights in specific geographic regions designated by the Council of Ministers subject to permission.

BG: Constitution of the Republic of Bulgaria, article 22; Law on Ownership and Use of Agricultural Land, article 3; and Law on Forests, article 10.

In EE: Foreign natural or legal persons that are not from the EEA or from members of the Organisation for Economic Co-operation and Development can acquire an immovable asset which contains agricultural and/or forest land only with the authorisation of the county governor and of the municipal council, and must prove as prescribed by law that the immovable asset will, according to its intended purpose, be used efficiently, sustainably and purposefully.

Existing measures:

EE: Kinnisasja omandamise kitsendamine seadus (Restrictions on Acquisition of Immovables Act) Chapters 2 and 3.

With respect to Investment liberalisation – Market access, National treatment and Cross-border trade in services - Market access, National treatment:

In LT: Any measure which is consistent with the commitments taken by the European Union and which are applicable in Lithuania in GATS with respect to land acquisition. The land plot acquisition procedure, terms and conditions, as well as restrictions shall be established by the Constitutional Law, the Law on Land and the Law on the Acquisition of Agricultural Land.

However, local governments (municipalities) and other national entities of Members of the Organisation for Economic Co-operation and Development and North Atlantic Treaty Organization conducting economic activities in Lithuania, which are specified by the constitutional law in compliance with the criteria of European Union and other integration which Lithuania has embarked on, are permitted to acquire into their ownership non-agricultural land plots required for the construction and operation of buildings and facilities necessary for their direct activities.

Existing measures:

LT: Constitution of the Republic of Lithuania;

The Constitutional Law of the Republic of Lithuania on the Implementation of Paragraph 3 of Article 47 of the Constitution of

the Republic of Lithuania of 20 June 1996, No. I-1392 as last amended 20 March 2003, No. IX-1381;

Law on land, of 27 January 2004, No. IX-1983; and

Law on acquisition of agricultural land of 24 April 2014, No. XII-854.

(c) Recognition

With respect to Investment liberalisation – National treatment and Cross-border trade in services – National treatment:

In EU: The Union directives on mutual recognition of diplomas and other professional qualification only apply to the citizens of the Union. The right to practise a regulated professional service in one Member State does not grant the right to practise in another Member State.

(d) Most-favoured-nation treatment

With respect to Investment liberalisation – Most-favoured-nation treatment and Cross-border trade in services – Most-favoured-nation treatment and Regulatory framework for legal services – Obligations:

The EU: According differential treatment to a third country pursuant to any international investment treaties or other trade agreement in force or signed prior to the date of entry into force of this Agreement.

The EU: According differential treatment to a third country pursuant to any existing or future bilateral or multilateral agreement which:

(i) creates an internal market in services and investment;

(ii) grants the right of establishment; or

(iii) requires the approximation of legislation in one or more economic sectors.

An internal market in services and investment means an area without internal frontiers in which the free movement of services, capital and persons is ensured.

The right of establishment means an obligation to abolish in substance all barriers to establishment among the parties to the bilateral or multilateral agreement by the entry into force of that agreement. The right of establishment shall include the right of nationals of the parties to the bilateral or multilateral agreement to set up and operate enterprises under the same conditions provided for nationals under the law of the party where such establishment takes place.

The approximation of legislation means:

(i) the alignment of the legislation of one or more of the parties to the bilateral or multilateral agreement with the legislation of the other party or parties to that agreement; or

(ii) the incorporation of common legislation into the law of the parties to the bilateral or multilateral agreement.

Such alignment or incorporation shall take place, and shall be deemed to have taken place, only at such time that it has been enacted in the law of the party or parties to the bilateral or multilateral agreement.

Existing measures:

EU: Agreement on the European Economic Area;

Stabilisation Agreements;

EU-Swiss Confederation bilateral agreements; and

Deep and Comprehensive Free Trade Agreements.

The EU: According differential treatment relating to the right of establishment to nationals or enterprises through existing or future bilateral agreements between the following Member States: BE, DE, DK, EL, ES, FR, IE, IT, LU, NL, PT and any of the following countries or principalities: Andorra, Monaco, San Marino and the Vatican City State.

In DK, FI, SE: Measures taken by Denmark, Sweden and Finland aimed at promoting Nordic cooperation, such as:

(a) financial support to research and development (R&D) projects (the Nordic Industrial Fund);

(b) funding of feasibility studies for international projects (the Nordic Fund for Project Exports); and

(c) financial assistance to companies utilizing environmental technology (the Nordic Environment Finance Corporation). The purpose of the Nordic Environment Finance Corporation (NEFCO) is to promote investments of Nordic environmental interest, with a focus on Eastern Europe.

This reservation is without prejudice to the exclusion of procurement by a Party or subsidies in Article 123(6) and (7) of this Agreement.

In PL: Preferential conditions for establishment or the cross-border supply of services, which may include the elimination or amendment of certain restrictions embodied in the list of reservations applicable in Poland, may be extended through commerce and navigation treaties.

In PT: Waiving nationality requirements for the exercise of certain activities and professions by natural persons supplying services for countries in which Portuguese is the official language (Angola, Brazil, Cape Verde, Guinea-Bissau, Equatorial Guinea, Mozambique, São Tomé & Príncipe, and East Timor).

(e) Arms, munition and war material

With respect to Investment liberalisation – Market access, National treatment, Most-favoured nation treatment, Senior management and boards of directors, Performance requirements and Cross-border trade in services – Market access, National treatment, Most-favoured-nation treatment, Local presence:

In EU: Production or distribution of, or trade in, arms, munitions and war material. War material is limited to any product which is solely intended and made for military use in connection with the conduct of war or defence activities.

Reservation No. 2 - Professional services - other than health related services

Sector:

Professional services - legal services: services of notaries and by bailiffs; accounting and bookkeeping services; auditing services, taxation advisory services; architecture and urban planning services, engineering services, and integrated engineering services

Industry classification:

Part of CPC 861, part of 87902, 862, 863, 8671, 8672, 8673, 8674, part of 879

Type of reservation:

Market access

National treatment

Most-favoured-nation treatment

Senior management and boards of directors

Chapter:

Investment liberalisation and Cross-border trade in services

Description:

The EU reserves the right to adopt or maintain any measure with respect to the following:

(a) Legal services

With respect to Investment liberalisation – Market access, National treatment, Senior management and boards of directors and Cross-border trade in services – Market access, National treatment:

The EU, with the exception of SE: The supply of legal advisory and legal authorisation, documentation, and certification services provided by legal professionals entrusted with public functions, such as notaries, "huissiers de justice" or other "officiers publics et ministériels", and with respect to services provided by bailiffs who are appointed by an official act of government (part of CPC 861, part of 87902).

With respect to Investment liberalisation – Most-favoured-nation treatment and Cross-border trade in services – Most-favoured-nation treatment:

In BG: Full national treatment on the establishment and operation of companies, as well as on the supply of services, may be extended only to companies established in, and citizens of, the countries with whom preferential arrangements have been or will be concluded (part of CPC 861).

In LT: Attorneys from foreign countries can participate as advocates in court only in accordance with international agreements (part of CPC 861), including specific provisions regarding representation before courts.

(b) Accounting and bookkeeping services (CPC 8621 other than auditing services, 86213, 86219, 86220)

With respect to Cross-border trade in services – Market access:

In HU: Cross-border activities for accounting and bookkeeping.

Existing measures:

HU: Act C of 2000; and Act LXXV of 2007.

(c) Auditing services (CPC – 86211, 86212 other than accounting and bookkeeping services)

With respect to Cross-border trade in services - National treatment:

In BG: An independent financial audit shall be implemented by registered auditors who are members of the Institute of the Certified Public Accountants. Subject to reciprocity, the Institute of the Certified Public Accountants shall register an audit entity of the United Kingdom or of a third country upon the latter furnishing proof that:

(a) three-fourths of the members of the management bodies and the registered auditors carrying out audit on behalf of the entity meet requirements equivalent to those for Bulgarian auditors and have passed successfully the examinations for it;

(b) the audit entity carries out independent financial audit in accordance with the requirements for independence and objectivity; and

(c) the audit entity publishes on its website an annual transparency report or performs other equivalent requirements for disclosure in case it audits public-interest entities.

Existing Measures:

BG: Independent Financial Audit Act.

With respect to Investment liberalisation – Market access, National treatment, Senior management and boards of directors:

In CZ: Only a legal person in which at least 60 per cent of capital interests or voting rights are reserved to nationals of the Czech Republic or of the Member States of the European Union is authorised to carry out audits in the Czech Republic.

Existing Measures:

CZ: Law of 14 April 2009 no. 93/2009 Coll., on Auditors.

With respect to Cross-border trade in services – Market access:

In HU: Cross-border supply of auditing services.

Existing Measures:

HU: Act C of 2000; and Act LXXV of 2007.

In PT: Cross-border supply of auditing services.

(d) Architecture and urban planning services (CPC 8674)

With respect to Cross-border trade in services – Market access, National treatment:

In HR: The cross-border supply of urban planning.

Reservation No. 3 - Professional services – health related and retail of pharmaceuticals

Sector:

Health related professional services and retail sales of pharmaceutical, medical and orthopaedic goods, other services

provided by pharmacists

Industry classification:

CPC 63211, 85201, 9312, 9319, 93121

Type of reservation:

Market access

National treatment

Senior management and boards of directors

Performance requirements

Local presence

Chapter:

Investment liberalisation and Cross-border trade in services

Description:

The EU reserves the right to adopt or maintain any measure with respect to the following:

(a) Medical and dental services; services provided by midwives, nurses, physiotherapists, psychologists and paramedical personnel (CPC 63211, 85201, 9312, 9319, CPC 932)

With respect to Investment liberalisation – Market access, National treatment, Senior management and boards of directors and Cross-border trade in services – Market access and National treatment:

In FI: The supply of all health-related professional services, whether publicly or privately funded, including medical and dental services, services provided by midwives, physiotherapists and paramedical personnel and services provided by psychologists, excluding services provided by nurses (CPC 9312, 93191).

Existing measures:

FI: Laki yksityisestä terveydenhuollosta (Act on Private Health Care) (152/1990).

In BG: The supply of all health-related professional services, whether publicly or privately funded, including medical and dental services, services provided by nurses, midwives, physiotherapists and paramedical personnel and services provided by psychologists (CPC 9312, part of 9319).

Existing Measures:

BG: Law for Medical Establishment, Professional Organisation of Medical Nurses, Midwives and Associated Medical Specialists Guild Act.

With respect to Investment liberalisation – Market access, National treatment and Cross-border trade in services – Market access and National treatment:

In CZ, MT: The supply of all health-related professional services, whether publicly or privately funded, including the services provided by professionals such as medical doctors, dentists, midwives, nurses, physiotherapists, paramedics, psychologists, as well as other related services (CPC 9312, part of 9319).

Existing Measures:

CZ: Act No 296/2008 Coll., on Safeguarding the Quality and Safety of Human Tissues and

Cells Intended for Use in Man ("Act on Human Tissues and Cells");

Act No 378/2007 Coll., on Pharmaceuticals and on Amendments to Some Related Acts (Act on Pharmaceuticals);

Act No. 268/2014 Coll. on medical devices and amending Act No 634/2004 Coll. on administrative fees, as subsequently amended;

Act No. 285/2002 Coll., on the Donating, Taking and Transplanting of Tissues and Organs and on Amendment to Certain Acts

(Transplantation Act).

Act No. 372/2011 Coll., on health services and on conditions of their provision

Act No. 373/2011 Coll., on specific health services).

With respect to Cross-border trade in services – Market access, National treatment, Local presence:

The EU, with the exception of NL and SE: The supply of all health-related professional services, whether publicly or privately funded, including the services provided by professionals such as medical doctors, dentists, midwives, nurses, physiotherapists, paramedics, and psychologists, requires residency. These services may only be provided by natural persons physically present in the territory of the European Union (CPC 9312, part of 93191).

In BE: The cross-border supply whether publicly or privately funded of all health-related professional services, including medical, dental and midwives services and services provided by nurses, physiotherapists, psychologists and paramedical personnel. (part of CPC 85201, 9312, part of 93191).

In PT: (Also with respect to Most-favoured nation treatment) Concerning the professions of physiotherapists, paramedical personnel and podiatrists, foreign professionals may be allowed to practice based on reciprocity.

(b) Veterinary services (CPC 932)

With respect to Investment liberalisation – Market access, National treatment and Cross-border trade in services –National treatment, Local presence:

In BG: A veterinary medical establishment may be established by a natural or a legal person.

The practice of veterinary medicine is only allowed for nationals of the EEA and for permanent residents (physical presence is required for permanent residents).

With respect to Cross-border trade in services – Market access, National treatment:

In BE, LV: Cross-border supply of veterinary services.

(c) Retail sales of pharmaceutical, medical and orthopaedic goods, other services provided by pharmacists (CPC 63211)

With respect to Investment liberalisation – Market access and Cross-border trade in services – Local presence:

The EU, with the exception of EL, IE, LU, LT and NL: For restricting the number of suppliers entitled to provide a particular service in a specific local zone or area on a non-discriminatory basis. An economic needs test may therefore be applied, taking into account such factors as the number of and impact on existing establishments, transport infrastructure, population density or geographic spread.

The EU, with the exception of BE, BG, EE, ES, IE and IT: Mail order is only possible from Member States of the EEA, thus establishment in any of those countries is required for the retail of pharmaceuticals and specific medical goods to the general public in the Union.

In CZ: Retail sales are only possible from Member States.

In BE: The retail sales of pharmaceuticals and specific medical goods are only possible from a pharmacy established in Belgium.

In BG, EE, ES, IT and LT: Cross-border retail sales of pharmaceuticals.

In IE and LT: Cross-border retail of pharmaceuticals requiring a prescription.

In PL: Intermediaries in the trade of medicinal products must be registered and have a place of residence or registered office in the territory of the Republic of Poland.

With respect to Investment liberalisation – Market access, National treatment, Senior management and boards of directors, Performance requirements and Cross-border trade in services – Market access, National treatment:

In FI: Retail sales of pharmaceutical products and of medical and orthopaedic goods.

With respect to Investment liberalisation – Market access, National treatment, Senior management and boards of directors and Cross-border trade in services – Market access, National treatment:

In SE: Retail sales of pharmaceutical goods and the supply of pharmaceutical goods to the general public.

Existing measures:

AT: Arzneimittelgesetz (Medication Act), BGBl. Nr. 185/1983 as amended, §§ 57, 59, 59a; and

Medizinproduktegesetz (Medical Products Law), BGBl. Nr. 657/1996 as amended, § 99.

BE: Arrêté royal du 21 janvier 2009 portant instructions pour les pharmaciens; and Arrêté royal du 10 novembre 1967 relatif à l'exercice des professions des soins de santé.

CZ: Act No. 378/2007 Coll., on Pharmaceuticals, as amended; and Act No. 372/2011 Coll., on Health services, as amended.

FI: Lääkelaki (Medicine Act) (395/1987).

PL: Pharmaceutical Law, art. 73a (Journal of Laws of 2020, item 944, 1493).

SE: Law on trade with pharmaceuticals (2009:336);

Regulation on trade with pharmaceuticals (2009:659); and

The Swedish Medical Products Agency has adopted further regulations, the details can be found at (LVFS 2009:9).

Reservation No. 4 - Business Services - Research and development services

Sector:

Research and development services

Industry classification:

CPC 851, 852, 853

Type of reservation:

Market access

National treatment

Chapter:

Cross-border trade in services

Description:

The EU reserves the right to adopt or maintain any measure with respect to the following:

In RO: Cross-border supply of research and development services.

Existing measures:

RO: Governmental Ordinance no. 6 / 2011;

Order of Minister of Education and Research no. 3548 / 2006; and Governmental Decision no. 134 / 2011.

Reservation No. 5 - Business Services - Real estate services

Sector:

Real estate services

Industry classification:

CPC 821, 822

Type of reservation:

Market access

National treatment

Chapter:

Cross-border trade in services

Description:

The EU reserves the right to adopt or maintain any measure with respect to the following:

In CZ and HU: Cross-border supply of real estate services.

Reservation No. 6 - Business services - Rental or leasing services

Sector:

Rental or leasing services without operators

Industry classification:

CPC 832

Type of reservation:

Market access

National treatment

Chapter:

Cross-border trade in services

Description:

The EU reserves the right to adopt or maintain any measure with respect to the following:

In BE and FR: Cross-border supply of leasing or rental services without operator concerning personal and household goods.

Reservation No. 7 - Business Services - Collection agency services and Credit reporting services

Sector:

Collection agency services, credit reporting services

Industry classification:

CPC 87901, 87902

Type of reservation:

Market access

National treatment

Local presence

Chapter:

Cross-border trade in services

Description:

The EU reserves the right to adopt or maintain any measure with respect to the following:

The EU, with the exception of ES, LV and SE, with regard to the supply of collection agency services and credit reporting services.

Reservation No. 8 - Business Services - Placement services

Sector – sub-sector:

Business Services – placement services



Industry classification:

CPC 87201, 87202, 87203, 87204, 87205, 87206, 87209

Type of reservation:

Market access

National treatment

Senior management and boards of directors

Local presence

Chapter:

Investment liberalisation and Cross-border trade in services

Description:

The EU reserves the right to adopt or maintain any measure with respect to the following:

With respect to Investment liberalisation – Market access, National treatment, Senior management and boards of directors and Cross-border trade in services – Market access, National treatment, Local presence:

In the EU, with the exception of HU and SE: Supply services of domestic help personnel, other commercial or industrial workers, nursing and other personnel (CPC 87204, 87205, 87206, 87209).

In BG, CY, CZ, DE, EE, FI, MT, LT, LV, PL, PT, RO, SI and SK: Executive search services (CPC 87201).

In AT, BG, CY, CZ, EE, FI, LT, LV MT, PL, PT, RO, SI and SK: The establishment of placement services of office support personnel and other workers (CPC 87202).

In AT, BG, CY, CZ, DE, EE, FI, MT, LT, LV, PL, PT, RO, SI and SK: Supply services of office support personnel (CPC 87203).

With respect to Cross-border trade in services – Market access, National treatment, Local presence:

In the EU with the exception of BE, HU and SE: The cross-border supply of placement services of office support personnel and other workers (CPC 87202).

In IE: The cross-border supply of executive search services (CPC 87201).

In FR, IE, IT and NL: The cross-border supply of services of office personnel (CPC 87203).

With respect to Investment liberalisation – Market access and Cross-border trade in services – Market access

In DE : To restrict the number of suppliers of placement services.

In ES: To restrict the number of suppliers of executive search services and placement services (CPC 87201, 87202).

In FR: These services can be subject to a state monopoly (CPC 87202).

In IT: To restrict the number of suppliers of supply services of office personnel (CPC 87203).

With respect to Investment liberalisation –Market access, National treatment:

In DE: The Federal Ministry of Labour and Social Affairs may issue a regulation concerning the placement and recruitment of non-European Union and non-EEA personnel for specified professions (CPC 87201, 87202, 87203, 87204, 87205, 87206, 87209).

Existing measures:

AT: §§97 and 135 of the Austrian Trade Act (Gewerbeordnung), Federal Law Gazette Nr. 194/1994 as amended; and

Temporary Employment Act (Arbeitskräfteüberlassungsgesetz/AÜG), Federal Law Gazette Nr. 196/1988 as amended.

BG: Employment Promotion Act, articles 26, 27, 27a and 28.

CY: Private Employment Agency Law N. 126(I)/2012 as amended.

CZ: Act on Employment (435/2004).

DE: Gesetz zur Regelung der Arbeitnehmerüberlassung (AÜG);

Sozialgesetzbuch Drittes Buch (SGB III; Social Code, Book Three) - Employment Promotion;

Verordnung über die Beschäftigung von Ausländerinnen und Ausländern (BeschV; Ordinance on the Employment of Foreigners).

DK: §§ 8a – 8f in law decree no. 73 of 17th of January 2014 and specified in decree no. 228 of 7th of March 2013 (employment of seafarers); and Employment Permits Act 2006. S1(2) and (3).

EL: Law 4052/2012 (Official Government Gazette 41 A) as amended to some of its provision by the law N.4093/2012 (Official Government Gazette 222 A).

ES: Real Decreto-ley 8/2014, de 4 de julio, de aprobación de medidas urgentes para el crecimiento, la competitividad y la eficiencia, artículo 117 (tramitado como Ley 18/2014, de 15 de octubre).

FI: Laki julkisesta työvoima-ja yrityspalvelusta (Act on Public Employment and Enterprise Service) (916/2012).

HR: Labour Market Act (OG 118/18, 32/20)

Labour Act (OG 93/14, 127/17, 98/19)

Aliens Act (OG 130/11m 74/13, 67/17, 46/18, 53/20)

IE: Employment Permits Act 2006. S1(2) and (3).

IT: Legislative Decree 276/2003 articles 4, 5.

LT: Lithuanian Labour Code of the Republic of Lithuania approved by Law No XII-2603 of 14 September 2016 of the Republic of Lithuania,

The Law on the Legal Status of Aliens of the Republic of Lithuania of 29 April 2004 No. IX-2206 as last amended 03-12-2019 No. XIII-2582.

LU: Loi du 18 janvier 2012 portant création de l'Agence pour le développement de l'emploi (Law of 18 January 2012 concerning the creation of an agency for employment development – ADEM).

MT: Employment and Training Services Act, (Cap 343) (Articles 23 to 25); and Employment Agencies Regulations (S.L. 343.24).

PL: Article 18 of the Act of 20 April 2004 on the promotion of employment and labour market institutions (Dz. U. of 2015, Item. 149, as amended).

PT: Decree-Law No 260/2009 of 25 September, as amended by Law No. 5/2014 of 12 February (access and provision of services by placement agencies).

RO: Law no. 156/2000 on the protection of Romanian citizens working abroad, republished, and Government Decision no. 384/2001 for approving the methodological norms for applying the Law no. 156/2000, with subsequent amendments;

Ordinance of the Government no. 277/2002, as modified by Government Ordinance No. 790/2004 and Government Ordinance No. 1122/2010; and

Law no.53/2003 - Labour Code, republished, with subsequent amendments and supplement and the Government Decision no 1256/2011 on the operating conditions and authorization procedure for temporary work agency.

SI: Labour market regulation act (Official Gazette of RS, No. 80/2010, 21/2013, 63/2013, 55/2017); and Employment, Self-employment and Work of Aliens Act – ZZSDT (Official Gazette of RS, No. 47/2015), ZZSDT-UPB2 (Official Gazette of RS, No. 1 /2018).

SK: Act No 5/2004 on Employment Services; and Act No 455/1991 on Trade Licensing.

Reservation No. 9 - Business Services - Security and investigation services

Sector– sub-sector:

Business services – security and investigation services

Industry classification:

CPC 87301, 87302, 87303, 87304, 87305, 87309

Type of reservation:

Market access

National treatment

Senior management and boards of directors

Performance requirements

Local presence

Chapter:

Investment liberalisation and Cross-border trade in services

Description:

The EU reserves the right to adopt or maintain any measure with respect to the following:

(a) Security services (CPC 87302, 87303, 87304, 87305, 87309)

With respect to Investment liberalisation – Market access, National treatment, Senior management and boards of directors, Performance requirements and Cross-border trade in services – Market access, National treatment:

In BG, CY, CZ, EE, ES, LT, LV, MT, PL, RO, SI and SK: The supply of security services.

In DK, HR and HU: The supply of the following subsectors: guard services (87305) in HR and HU, security consultation services (87302) in HR, airport guard services (part of 87305) in DK and armoured car services (87304) in HU.

With respect to Investment liberalisation – Market access, National treatment, Senior management and boards of directors and Cross-border trade in services –National treatment, Local presence:

In BE: Nationality of a Member State is required for boards of directors of enterprises legal persons supplying guard and security services (87305) as well as consultancy and training relating to security services (87302). The senior management of companies providing guard and security consultancy services required to be resident nationals of a Member State.

In FI: Licences to supply security services may be granted only to natural persons resident in the EEA or legal persons established in the EEA.

In ES: The cross border supply of security services. Nationality requirements exist for private security personnel.

With respect to Cross-border trade in services – Market access, National treatment:

In BE, FI, FR and PT: The supply of security services by a foreign provider on a cross-border basis is not allowed. Nationality requirements exist for specialised personnel in PT and for managing directors and directors in FR.

Existing measures:

BE: Loi réglementant la sécurité privée et particulière, 2 Octobre 2017.

BG: Private Security Business Act.

CZ: Trade Licensing Act.

DK: Regulation on aviation security.

FI: Laki yksityisistä turvallisuuspalveluista 282/2002 (Private Security Services Act).

LT: Law on security of Persons and Assets 8 July 2004 No. IX-2327.

LV: Security Guard Activities Law (Sections 6, 7, 14).

PL: Act of 22 August 1997 on the protection of persons and property (Journal of Laws of 2016, item 1432 as amended).

PT: Law 34/2013 alterada p/ Lei 46/2019, 16 maio; and Ordinance 273/2013 alterada p/ Portaria 106/2015, 13 abril.

SI: Zakon o zasebnem varovanju (Law on private security).

(b) Investigation services (CPC 87301)

With respect to Investment liberalisation – Market access, National treatment, Senior management and boards of directors, Performance requirements and Cross-border trade in services – Market access, National treatment, Local presence:

The EU, with the exception of AT and SE: The supply of investigation services.

With respect to Investment liberalisation - Market access and Cross-border trade in services – Market access:

In LT and PT: Investigation services are a monopoly reserved to the State.

Reservation No. 10 - Business Services - Other business services

Sector- sub-sector:

Business services – other business services (translation and interpretation services, duplicating services, services incidental to energy distribution and services incidental to manufacturing)

Industry classification:

CPC 87905, 87904, 884, 887

Type of reservation:

Market access

National treatment

Most-favoured-nation treatment

Senior management and boards of directors

Performance requirements

Local presence

Chapter:

Investment liberalisation and Cross-border trade in services

Description:

The EU reserves the right to adopt or maintain any measure with respect to the following:

(a) Translation and interpretation services (CPC 87905)

With respect to Cross-border trade in services – Market access, National treatment:

In HR: Cross-border supply of translation and interpretation of official documents.

(b) Duplicating services (CPC 87904)

With respect to Cross-border trade in services – Market access, National treatment, Local presence:

In HU: Cross-border supply of duplicating services.

(c) Services incidental to energy distribution and services incidental to manufacturing (Part of CPC 884, 887 other than advisory and consulting services)

With respect to Investment liberalisation – Market access, National treatment, Senior management and boards of directors and Cross-border trade in services – Market access, National treatment, Local presence:

In HU: Services incidental to energy distribution, and cross-border supply of services incidental to manufacturing, with the exception of advisory and consulting services relating to these sectors.

(d) Maintenance and repair of vessels, rail transport equipment and aircraft and parts thereof (part of CPC 86764, CPC 86769, CPC 8868)

With respect to Cross-border trade in services – Market access, National treatment, Local presence:

In EU, with the exception of DE, EE and HU: The cross-border supply of maintenance and repair services of rail transport equipment.

In EU, with the exception of CZ, EE, HU, LU and SK: Cross-border supply of maintenance and repair services of inland waterway transport vessels.

In EU, with the exception of EE, HU and LV: The cross-border supply of maintenance and repair services of maritime vessels.

In EU, with the exception of AT, EE, HU, LV, and PL: The cross-border supply of maintenance and repair services of aircraft and parts thereof (part of CPC 86764, CPC 86769, CPC 8868).

In EU: The cross-border supply of services of statutory surveys and certification of ships.

Existing measures:

EU: Regulation (EC) No 391/2009 of the European Parliament and the Council (1).

(e) Other business services related to aviation

With respect to Investment liberalisation – Most-favoured-nation treatment and Cross-border trade in services – Most-favoured-nation treatment:

The EU: According differential treatment to a third country pursuant to existing or future bilateral agreements relating to the following services:

(a) the selling and marketing of air transport services;

(b) computer reservation system (CRS) services;

(c) maintenance and repair of aircrafts and parts,

(d) rental or leasing of aircraft without crew.

With respect to Investment liberalisation - Market access, National treatment, Performance requirements, Senior management and boards of director, and Cross-border trade in services – Market access, National treatment, Local presence:

In DE, FR: Aerial fire-fighting, flight training, spraying, surveying, mapping, photography, and other airborne agricultural, industrial and inspection services.

In FI, SE: Aerial fire-fighting.

Reservation No. 11 - Telecommunication

Sector:

Satellite broadcast transmission services

Industry classification:

Type of reservation:

Market access

National treatment

Chapter:

Investment liberalisation and Cross-border trade in services

Description:

The EU reserves the right to adopt or maintain any measure with respect to the following:

In BE: Satellite broadcast transmission services.

Reservation No. 12 - Construction

Sector:

Construction services

Industry classification:

CPC 51

Type of reservation:

Market access

National treatment

Chapter:

Investment liberalisation and Cross-border trade in services

Description:

The EU reserves the right to adopt or maintain any measure with respect to the following:

In LT: The right to prepare design documentation for construction works of exceptional significance is only given to a design enterprise registered in Lithuania or a foreign design enterprise which has been approved by an institution authorised by the Government for those activities. The right to perform technical activities in the main areas of construction may be granted to a non-Lithuanian person who has been approved by an institution authorised by the Government of Lithuania.

Reservation No. 13 - Distribution services

Sector:

Distribution services

Industry classification:

CPC 62117, 62251, 8929, part of 62112, 62226, part of 631

Type of reservation:

Market access

National treatment

Senior management and boards of directors

Performance requirements

Chapter:

Investment liberalisation and Cross-border trade in services

Description:

The EU reserves the right to adopt or maintain any measure with respect to the following:

(a) Distribution of pharmaceuticals

With respect to Cross-border trade in services – Market access, National treatment:

In BG: Cross-border wholesale distribution of pharmaceuticals (CPC 62251).

With respect to Investment liberalisation - Market access, National treatment, Performance requirements, Senior management and boards of director, and Cross-border trade in services – Market access, National treatment:

In FI: Distribution of pharmaceutical products (CPC 62117, 62251, 8929).

Existing measures:

BG: Law on Medicinal Products in Human Medicine; Law on Medical Devices.

FI: Lääkelaki (Medicine Act) (395/1987).

(b) Distribution of alcoholic beverages

In FI: Distribution of alcoholic beverages (part of CPC 62112, 62226, 63107, 8929).

Existing measures:

FI: Alkoholilaki (Alcohol Act) (1102/2017).

With respect to Investment liberalisation – Market access and Cross-border trade in services – Market access:

In SE: Imposing a monopoly on retail sales of liquor, wine and beer (except non-alcoholic beer). Currently Systembolaget AB has such governmental monopoly on retail sales of liquor, wine and beer (except non-alcoholic beer). Alcoholic beverages are beverages with an alcohol content over 2.25 per cent per volume. For beer, the limit is an alcohol content over 3.5 per cent per volume (part of CPC 631).

Existing measures:

SE: The Alcohol Act (2010:1622).

(c) Other distribution (part of CPC 621, CPC 62228, CPC 62251, CPC 62271, part of CPC 62272, CPC 62276, CPC 63108, part of CPC 6329)

With respect to Cross-border trade in services – Market access, National treatment:

In BG: Wholesale distribution of chemical products, precious metals and stones, medical substances and products and objects for medical use; tobacco and tobacco products and alcoholic beverages.

Bulgaria reserves the right to adopt or maintain any measure with respect to the services provided by commodity brokers.

Existing measures:

In BG: Law on Medicinal Products in Human Medicine;

Law on Medical Devices;

Law of Veterinary Activity;

Law for Prohibition of Chemical Weapons and for Control over Toxic Chemical Substances and Their Precursors;

Law for Tobacco and Tobacco Products. Law on excise duties and tax warehouses and Law on wine and spirits.

Reservation No. 14 - Education services

Sector:

Education services

Industry classification:

CPC 92

Type of reservation:

Market access

National treatment

Senior management and boards of directors

Performance requirements

Local presence

Chapter:

Investment liberalisation and Cross-border trade in services

Description:

The EU reserves the right to adopt or maintain any measure with respect to the following:

With respect to Investment liberalisation - Market access, National treatment, Performance requirements, Senior management and boards of director, and Cross-border trade in services – Market access, National treatment, Local presence:

The EU: Educational services which receive public funding or State support in any form. Where the supply of privately funded education services by a foreign provider is permitted, participation of private operators in the education system may be subject to concession allocated on a non-discriminatory basis.

The EU, with the exception of CZ, NL, SE and SK: With respect to the supply of privately funded other education services, which means other than those classified as being primary, secondary, higher and adult education services (CPC 929).

In CY, FI, MT and RO: The supply of privately funded primary, secondary, and adult education services (CPC 921, 922, 924).

In AT, BG, CY, FI, MT and RO: The supply of privately funded higher education services (CPC 923).

In CZ and SK: The majority of the members of the board of directors of an establishment providing privately funded education services must be nationals of that country (CPC 921, 922, 923 for SK other than 92310, 924).

In SI: Privately funded elementary schools may be founded by Slovenian natural or legal persons only. The service supplier must establish a registered office or a branch. The majority of the members of the board of directors of an establishment providing privately funded secondary or higher education services must be Slovenian nationals (CPC 922, 923).

In SE: Educational services suppliers that are approved by public authorities to provide education. This reservation applies to privately funded educational services suppliers with some form of State support, inter alia educational service suppliers recognised by the State, educational services suppliers under State supervision or education which entitles to study support (CPC 92).

In SK: EEA residency is required for suppliers of all privately funded education services other than post-secondary technical and vocational education services. An economic needs test may apply and the number of schools being established may be limited by local authorities (CPC 921, 922, 923 other than 92310, 924).

With respect to Cross-border trade in services – Market access, National treatment, Local presence:

In BG, IT and SI: To restrict the cross-border supply of privately funded primary education services (CPC 921).

In BG and IT: To restrict the cross-border supply of privately funded secondary education services (CPC 922).

In AT: To restrict the cross-border supply of privately funded adult education services by means of radio or television broadcasting (CPC 924).

Existing measures:

BG: Public Education Act, article 12;

Law for the Higher Education, paragraph 4 of the additional provisions; and Vocational Education and Training Act, article 22.

FI: Perusopetuslaki (Basic Education Act) (628/1998);

Lukiolaki (General Upper Secondary Schools Act) (629/1998);

Laki ammatillisesta koulutuksesta (Vocational Training and Education Act) (630/1998);

Laki ammatillisesta aikuiskoulutuksesta (Vocational Adult Education Act) (631/1998);

Ammattikorkeakoululaki (Polytechnics Act) (351/2003); and Yliopistolaki (Universities Act) (558/2009).

IT: Royal Decree 1592/1933 (Law on secondary education);



Law 243/1991 (Occasional public contribution for private universities);

Resolution 20/2003 of CNVSU (Comitato nazionale per la valutazione del sistema universitario); and

Decree of the President of the Republic (DPR) 25/1998.

SK: Act 245/2008 on education;

Act 131/2002 on Universities; and

Act 596/2003 on State Administration in Education and School Self- Administration.

Reservation No. 15 - Environmental services

Sector- sub-sector:

Environmental services – waste and soil management

Industry classification:

CPC 9401, 9402, 9403, 94060

Type of reservation:

Market access

Chapter:

Cross-border trade in services

Description:

The EU reserves the right to adopt or maintain any measure with respect to the following:

In DE: The supply of waste management services other than advisory services, and with respect to services relating to the protection of soil and the management of contaminated soils, other than advisory services.

Reservation No. 16 - Financial services

Sector:

Financial services

Industry classification:

Not applicable

Type of reservation:

Market access

National treatment

Most-favoured-nation treatment

Senior management and boards of directors

Local presence

Chapter:

Investment liberalisation and Cross-border trade in services

Description:

The EU reserves the right to adopt or maintain any measure with respect to the following:

(a) All Financial Services

With respect to Investment liberalisation – Market access

The EU: the right to require a financial service supplier, other than a branch, when establishing in a Member State to adopt a specific legal form, on a non-discriminatory basis.

With respect to Cross-border trade in services – Market access, National treatment, Local presence

The EU: the right to adopt or maintain any measure with respect to the cross-border supply of all financial services other than:

In EU (except for BE, CY, EE, LT, LV, MT, PL, RO, SI):

(i) direct insurance services (including co-insurance) and direct insurance intermediation for the insurance of risks relating to:

a. maritime transport and commercial aviation and space launching and freight (including satellites), with such insurance to cover any or all of the following: the goods being transported, the vehicle transporting the goods, and any liability deriving therefrom; and

b. goods in international transit;

(ii) reinsurance and retrocession;

(iii) services auxiliary to insurance;

(iv) the provision and transfer of financial information, and financial data processing and related software by suppliers of other financial services; and

(v) advisory and other auxiliary financial services relating to banking and other financial services as described in point (L) of the definition of banking and other financial services (excluding insurance) in Article 183(a)(ii) of this Agreement, but not intermediation as described in that point.

In BE:

(i) direct insurance services (including co-insurance) and direct insurance intermediation for the insurance of risks relating to:

a. maritime transport and commercial aviation and space launching and freight (including satellites), with such insurance to cover any or all of the following: the goods being transported, the vehicle transporting the goods, and any liability deriving therefrom; and

b. goods in international transit;

(ii) reinsurance and retrocession;

(iii) services auxiliary to insurance;

(iv) the provision and transfer of financial information, and financial data processing and related software by suppliers of other financial services;

In CY:

(i) direct insurance services (including co-insurance) for the insurance of risks relating to:

a. maritime transport and commercial aviation and space launching and freight (including satellites), with such insurance to cover any or all of the following: the goods being transported, the vehicle transporting the goods, and any liability deriving therefrom; and

b. goods in international transit;

(ii) Insurance intermediation;

(iii) Reinsurance and retrocession;

(iv) Services auxiliary to insurance;

(v) the trading for own account or for the account of customers, whether on an exchange or an over-the-counter market or otherwise of transferrable securities;

(vi) the provision and transfer of financial information, and financial data processing and related software by suppliers of other financial services; and

(vii) advisory and other auxiliary financial services, relating to banking and other financial services as described in point (L) of the definition of banking and other financial services (excluding insurance) in Article 183(a)(ii) of this Agreement, but not intermediation as described in that point.

In EE:

(i) direct insurance (including co-insurance);

(ii) reinsurance and retrocession;

(iii) insurance intermediation;

(iv) services auxiliary to insurance;

(v) acceptance of deposits;

(vi) lending of all types;

(vii) financial leasing;

(viii) all payment and money transmission services; guarantees and commitments;

(ix) trading for own account or for account of customers, whether on an exchange, in an over-the-counter market;

(x) participation in issues of all kinds of securities, including underwriting and placement as agent (whether publicly or privately) and provision of services related to such issues;

(xi) money broking;

(xii) asset management, such as cash or portfolio management, all forms of collective investment management, custodial, depository and trust services;

(xiii) settlement and clearing services for financial assets, including securities, derivative products, and other negotiable instruments;

(xiv) provision and transfer of financial information, and financial data processing and related software; and

(xv) advisory and other auxiliary financial services relating to banking and other financial services as described in point (L) of the definition of banking and other financial services (excluding insurance) in Article 183(a)(ii) of this Agreement, but not intermediation as described in that point.

In LT:

(i) direct insurance services (including co-insurance) for the insurance of risks relating to:

a. maritime transport and commercial aviation and space launching and freight (including satellites), with such insurance to cover any or all of the following: the goods being transported, the vehicle transporting the goods, and any liability deriving therefrom; and

b. goods in international transit;

(ii) reinsurance and retrocession;

(iii) services auxiliary to insurance;

(iv) acceptance of deposits;

(v) lending of all types;

(vi) financial leasing;

(vii) all payment and money transmission services; guarantees and commitments;

(viii) trading for own account or for account of customers, whether on an exchange, in an over-the-counter market;

(ix) participation in issues of all kinds of securities, including underwriting and placement as agent (whether publicly or privately) and provision of services related to such issues;

(x) money broking;

(xi) asset management, such as cash or portfolio management, all forms of collective investment management, custodial, depository and trust services;

(xii) settlement and clearing services for financial assets, including securities, derivative products, and other negotiable instruments;

(xiii) provision and transfer of financial information, and financial data processing and related software; and

(xiv) advisory and other auxiliary financial services relating to banking and other financial services as described in point (L) of the definition of banking and other financial services (excluding insurance) in Article 183(a)(ii) of this Agreement, but not intermediation as described in that point.

In LV:

(i) direct insurance services (including co-insurance) for the insurance of risks relating to:

a. maritime transport and commercial aviation and space launching and freight (including satellites), with such insurance to cover any or all of the following: the goods being transported, the vehicle transporting the goods, and any liability deriving therefrom; and

b. goods in international transit;

(ii) reinsurance and retrocession;

(iii) services auxiliary to insurance;

(iv) participation in issues of all kinds of securities, including underwriting and placement as agent (whether publicly or privately) and provision of services related to such issues;

(v) the provision and transfer of financial information, and financial data processing and related software by suppliers of other financial services; and

(vi) advisory and other auxiliary financial services relating to banking and other financial services as described in point (L) of the definition of banking and other financial services (excluding insurance) in Article 183(a)(ii) of this Agreement, but not intermediation as described in that point.

In MT:

(i) direct insurance services (including co-insurance) for the insurance of risks relating to:

a. maritime transport and commercial aviation and space launching and freight (including satellites), with such insurance to cover any or all of the following: the goods being transported, the vehicle transporting the goods, and any liability deriving therefrom; and

b. goods in international transit;

(ii) reinsurance and retrocession;

(iii) services auxiliary to insurance;

(iv) the acceptance of deposits;

(v) lending of all types;

(vi) the provision and transfer of financial information, and financial data processing and related software by suppliers of other financial services; and

(vii) advisory and other auxiliary financial services relating to banking and other financial services as described in point (L) of the definition of banking and other financial services (excluding insurance) in Article 183(a)(ii) of this Agreement, but not intermediation as described in that point.

In PL:

- (i) direct insurance services (including co-insurance) for the insurance of risks relating to goods in international trade;
- (ii) reinsurance and retrocession of risks relating to goods in international trade;
- (iii) direct insurance services (including co-insurance and retrocession) and direct insurance intermediation for the insurance of risks relating to:
  - a. maritime transport and commercial aviation and space launching and freight (including satellites), with such insurance to cover any or all of the following: the goods being transported, the vehicle transporting the goods, and any liability deriving therefrom; and
  - b. goods in international transit;
- (iv) the provision and transfer of financial information, and financial data processing and related software by suppliers of other financial services; and
- (v) advisory and other auxiliary financial services relating to banking and other financial services as described in point (L) of the definition of banking and other financial services (excluding insurance) in Article 183(a)(ii) of this Agreement, but not intermediation as described in that point.

In RO:

- (i) direct insurance services (including co-insurance) and direct insurance intermediation for the insurance of risks relating to:
  - a. maritime transport and commercial aviation and space launching and freight (including satellites), with such insurance to cover any or all of the following: the goods being transported, the vehicle transporting the goods, and any liability deriving therefrom; and
  - b. goods in international transit;
- (ii) reinsurance and retrocession;
- (iii) services auxiliary to insurance;
- (iv) acceptance of deposits;
- (v) lending of all types;
- (vi) guarantees and commitments;
- (vii) money broking;
- (viii) the provision and transfer of financial information, and financial data processing and related software; and
- (ix) advisory and other auxiliary financial services relating to banking and other financial services as described in in point (L) of the definition of banking and other financial services (excluding insurance) in Article 183(a)(ii) of this Agreement, but not intermediation as described in that point.

In SI:

- (i) direct insurance services (including co-insurance) and direct insurance intermediation for the insurance of risks relating to:
  - a. maritime transport and commercial aviation and space launching and freight (including satellites), with such insurance to cover any or all of the following: the goods being transported, the vehicle transporting the goods, and any liability deriving therefrom; and
  - b. goods in international transit;
- (ii) reinsurance and retrocession;
- (iii) services auxiliary to insurance;
- (iv) lending of all types;
- (v) the acceptance of guarantees and commitments from foreign credit institutions by domestic legal entities and sole

proprietors;

(vi) the provision and transfer of financial information, and financial data processing and related software by suppliers of other financial services; and

(ix) advisory and other auxiliary financial services relating to banking and other financial services as described in point (L) of the definition of banking and other financial services (excluding insurance) in Article 183(a)(ii) of this Agreement, but not intermediation as described in that point.

(b) Insurance and insurance-related services

With respect to Cross-border trade in services – Market access, National treatment:

In BG: Transport insurance, covering goods, insurance of vehicles as such and liability insurance regarding risks located in the Bulgaria may not be underwritten by foreign insurance companies directly.

In DE: If a foreign insurance company has established a branch in Germany, it may conclude insurance contracts in Germany relating to international transport only through the branch established in Germany.

Existing measures:

DE: Luftverkehrsgesetz (LuftVG); and

Luftverkehrszulassungsordnung (LuftVZO).

With respect to Investment liberalisation – Market access, National treatment and Cross-border trade in services – Market access, National treatment:

In ES: Residence is required, or alternatively to have two years of experience, for the actuarial profession.

With respect to Cross-border trade in services – Local presence:

In FI: The supply of insurance broker services is subject to a permanent place of business in the EU.

Only insurers having their head office in the European Union or having their branch in Finland may offer direct insurance services, including co-insurance.

Existing measures:

FI: Laki ulkomaisista vakuutusyhtiöistä (Act on Foreign Insurance Companies) (398/1995);

Vakuutusyhtiölaki (Insurance Companies Act) (521/2008);

Laki vakuutusten tarjoamisesta (Act on Insurance Distribution) (234/2018).

In FR: Insurance of risks relating to ground transport may be underwritten only by insurance firms established in the European Union.

Existing measures:

FR: Code des assurances.

In HU: Only legal persons of the EU and branches registered in Hungary may supply direct insurance services.

Existing measures:

HU: Act LX of 2003.

In IT: Transport insurance of goods, insurance of vehicles and liability insurance regarding risks located in Italy may be underwritten only by insurance companies established in the European Union, except for international transport involving imports into Italy.

Cross-border supply of actuarial services.

Existing measures:

IT: Article 29 of the code of private insurance (Legislative decree no. 209 of 7 September 2005), Law 194/1942 on the actuarial profession.

In PT: Air and maritime transport insurance, covering goods, aircraft, hull and liability can be underwritten only by enterprises legal persons of the European Union. Only natural persons of, or enterprises established in, the European Union may act as intermediaries for such insurance business in Portugal.

Existing measure:

PT: Article 3 of Law 147/2015, Article 8 of Law 7/2019.

With respect to Investment liberalisation – Market access, National treatment

In SK: Foreign nationals may establish an insurance company in the form of a joint stock company or may conduct insurance business through their branches having a registered office in the Slovak Republic. The authorisation in both cases is subject to the evaluation of the supervisory authority.

Existing measures:

SK: Act 39/2015 on Insurance.

With respect to Investment liberalisation – Market access, National treatment and Cross-border trade in services – Market access

In FI: At least one half of the members of the board of directors and the supervisory board, and the managing director of an insurance company providing statutory pension insurance shall have their place of residence in the EEA, unless the competent authorities have granted an exemption. Foreign insurers cannot obtain a licence in Finland as a branch to carry out statutory pension insurance. At least one auditor shall have his permanent residence in the EEA.

For other insurance companies, residency in the EEA is required for at least one member of the board of directors, the supervisory board and the managing director. At least one auditor shall have his permanent residence in the EEA. The general agent of an insurance company of the United Kingdom must have his place of residence in Finland, unless the company has its head office in the European Union.

Existing measures:

FI: Laki ulkomaisista vakuutusyhtiöistä (Act on Foreign Insurance Companies) (398/1995); Vakuutusyhtiölaki (Insurance Companies Act) (521/2008);

Laki vakuutusedustuksesta (Act on Insurance Mediation) (570/2005);

Laki vakuutusten tarjoamisesta (Act on Insurance Distribution) (234/2018) and

Laki työeläkevakuutusyhtiöistä (Act on Companies providing statutory pension insurance) (354/1997).

(c) Banking and other Financial Services

With respect to Investment liberalisation – Market access and Cross-border trade in services – Local presence:

The EU: Only legal persons having their registered office in the Union can act as depositories of the assets of investment funds. The establishment of a specialised management company, having its head office and registered office in the same Member State, is required to perform the activities of management of common funds, including unit trusts, and where allowed under national law, investment companies.

Existing measures:

EU: Directive 2009/65/EC of the European Parliament and of the Council (2); and

Directive 2011/61/EU of the European Parliament and of the Council (3).

In EE: For acceptance of deposits, requirement of authorisation by the Estonian Financial Supervision Authority and registration under Estonian law as a joint-stock company, a subsidiary or a branch.

Existing measures:

EE: Krediidiasutuste seadus (Credit Institutions Act) § 206 and §21.

In SK: Investment services can only be provided by management companies which have the legal form of a joint-stock company with equity capital according to the law.

Existing measures:

SK: Act 566/2001 on Securities and Investment Services; and Act 483/2001 on Banks.

With respect to Investment liberalisation – National treatment, Senior management and board of directors

In FI: At least one of the founders, the members of the board of directors, the supervisory board, the managing director of banking services providers and the person entitled to sign the name of the credit institution shall have their permanent residence in the EEA. At least one auditor shall have his permanent residence in the EEA.

Existing measures:

FI: Laki liikepankeista ja muista osakeyhtiömuotoisista luottolaitoksista (Act on Commercial

Banks and Other Credit Institutions in the Form of a Limited Company) (1501/2001);

Säästöpankkilaki (1502/2001) (Savings Bank Act);

Laki osuuspankeista ja muista osuuskuntamuotoisista luottolaitoksista (1504/2001) (Act on Cooperative Banks and Other Credit Institutions in the Form of a Cooperative Bank);

Laki hypoteekkiyhdistyksistä (936/1978) (Act on Mortgage Societies);

Maksulaitoslaki (297/2010) (Act on Payment Institutions);

Laki ulkomaisen maksulaitoksen toiminnasta Suomessa (298/2010) (Act on the Operation of Foreign Payment Institution in Finland); and

Laki luottolaitostoiminnasta (Act on Credit Institutions) (121/2007).

With respect to Investment liberalisation – Market access, National treatment and Cross-border trade in services - Local presence:

In IT: Services of "consulenti finanziari" (financial consultant). In providing the activity of door-to-door selling, intermediaries must utilise authorised financial salesmen resident within the territory of a Member State.

Existing measures:

IT: Articles 91-111 of Consob Regulation on Intermediaries (no. 16190 of 29 October 2007).

With respect to Investment liberalisation – Market access, National treatment, Senior management and boards of directors and Cross-border trade in services – Local presence:

In LT: Only banks having their registered office or branch in Lithuania and authorised to provide investment services in the EEA may act as the depositories of the assets of pension funds. At least one head of a bank's administration must speak the Lithuanian language.

Existing measures:

LT: Law on Banks of the Republic of Lithuania of 30 March 2004 No IX-2085, as amended by the Law No XIII-729 of 16 November 2017;

Law on Collective Investment Undertakings of the Republic of Lithuania of 4 July 2003 No IX-1709, as amended by the Law No XIII-1872 of 20 December 2018;

Law on Supplementary Voluntary Pension Accumulation of the Republic of Lithuania of 3 June 1999 No VIII-1212 (as revised in Law No XII-70 of 20 December 2012);

Law on Payments of the Republic of Lithuania of 5 June 2003 No. IX-1596, last amendment 17 of October 2019 Nr. XIII-2488

Law on Payment Institutions of the Republic of Lithuania of 10 December 2009 No. XI-549 (new version of the Law: No XIII-1093 of 17 April 2018)

With respect to Cross-border trade in services – Market access:

In FI: For payment services, residency or domicile in Finland may be required.

Reservation No. 17 - Health and social services



Sector:

Health and social services

Industry classification:

CPC 93, 931, other than 9312, part of 93191, 9311, 93192, 93193, 93199

Type of reservation:

Market access

National treatment

Most-favoured-nation treatment

Senior management and boards of directors

Performance requirements

Local presence

Chapter:

Investment liberalisation and Cross-border trade in services

Description:

The EU reserves the right to adopt or maintain any measure with respect to the following:

(a) Health services – hospital, ambulance, residential health services (CPC 93, 931, other than 9312, part of 93191, 9311, 93192, 93193, 93199)

With respect to Investment liberalisation - Market access, National treatment, Performance requirements, Senior management and boards of directors:

The EU: For the supply of all health services which receive public funding or State support in any form.

The EU: For all privately funded health services, other than privately funded hospital, ambulance, and residential health facilities services other than hospital services. The participation of private operators in the privately funded health network may be subject to concession on a non-discriminatory basis. An economic needs test may apply. Main criteria: number of and impact on existing establishments, transport infrastructure, population density, geographic spread, and creation of new employment.

This reservation does not relate to the supply of all health-related professional services, including the services supplied by professionals such as medical doctors, dentists, midwives, nurses, physiotherapists, paramedics, and psychologists, which are covered by other reservations (CPC 931 other than 9312, part of 93191).

In AT, PL and SI: The supply of privately funded ambulance services (CPC 93192).

In BE: the establishment of privately funded ambulance and residential health facilities services other than hospital services (CPC 93192, 93193).

In BG, CY, CZ, FI, MT and SK: The supply of privately-funded hospital, ambulance, and residential health services other than hospital services (CPC 9311, 93192, 93193).

In FI: Supply of other human health services (CPC 93199).

Existing measures:

CZ: Act No. 372/2011 Sb. on Health Care Services and Conditions of Their Provision.

FI: Laki yksityisestä terveydenhuollosta (Act on Private Health Care) (152/1990).

With respect to Investment liberalisation – Market access, National treatment, Most-favoured nation treatment, Senior management and boards of directors, Performance requirements:

In DE: The supply of the Social Security System of Germany, where services may be provided by different companies or

entities involving competitive elements which are thus not "Services carried out exclusively in the exercise of governmental authority". To accord better treatment in the context of a bilateral trade agreement with regard to the supply of health and social services (CPC 93).

With respect to Investment liberalisation – Market access, National treatment:

In DE: The ownership of hospitals run by the German Forces.

To nationalise other key privately funded hospitals (CPC 93110).

In FR: To the supply of privately funded laboratory analysis and testing services.

With respect to Cross-border trade in services – Market access, National treatment:

In FR: The supply of privately funded laboratory analysis and testing services (part of CPC 9311).

Existing measures:

FR: Code de la Santé Publique

(b) Health and social services, including pension insurance

With respect to Cross-border trade in services – Market access, National treatment, Local presence:

The EU, with the exception of HU: The cross-border supply of health services, social services and activities or services forming part of a public retirement plan or statutory system of social security. This reservation does not relate to the supply of all health-related professional services, including the services provided by professionals such as medical doctors, dentists, midwives, nurses, physiotherapists, paramedics, and psychologists, which are covered by other reservations (CPC 931 other than 9312, part of 93191).

In HU: The cross-border supply of all hospital, ambulance, and residential health services other than hospital services, which receive public funding (CPC 9311, 93192, 93193).

(c) Social services, including pension insurance

With respect to Investment liberalisation – Market access, National treatment, Senior management and boards of directors, Performance requirements:

The EU: The supply of all social services which receive public funding or State support in any form and activities or services forming part of a public retirement plan or statutory system of social security. The participation of private operators in the privately funded social network may be subject to concession on a non-discriminatory basis. An economic needs test may apply. Main criteria: number of and impact on existing establishments, transport infrastructure, population density, geographic spread, and creation of new employment.

In BE, CY, DE, DK, EL, ES, FR, IE, IT and PT: The supply of privately funded social services other than services relating to convalescent and rest houses and old people's homes.

In CZ, FI, HU, MT, PL, RO, SK, and SI: The supply of privately funded social services.

In DE: The Social Security System of Germany, where services are provided by different companies or entities involving competitive elements and might therefore not fall under the definition of the "Services carried out exclusively in the exercise of governmental authority".

Existing measures:

FI: Laki yksityisistä sosiaalipalveluista (Private Social Services Act) (922/2011).

IE: Health Act 2004 (S. 39); and

Health Act 1970 (as amended –S.61A).

IT: Law 833/1978 Institution of the public health system;

Legislative Decree 502/1992 Organisation and discipline of the health field; and Law 328/2000 Reform of social services.

Reservation No. 18 - Tourism and travel related services

Sector:

Tourist guides services, health and social services

Industry classification:

CPC 7472

Type of reservation:

National treatment

Most-favoured-nation treatment

Chapter:

Investment liberalisation and Cross-border trade in services

Description:

The EU reserves the right to adopt or maintain any measure with respect to the following:

With respect to Investment liberalisation –National treatment and Cross-border trade in services – National treatment:

In FR: To require nationality of a Member State for the supply of tourist guide services.

With respect to Investment liberalisation – Most-favoured-nation treatment and Cross-border trade in services – Most-favoured-nation treatment:

In LT: In so far as the United Kingdom allows nationals of Lithuania to provide tourist guide services, Lithuania will allow nationals of the United Kingdom to provide tourist guide services under the same conditions.

Reservation No. 19 - Recreational, cultural and sporting services

Sector:

Recreational, cultural and sporting services

Industry classification:

CPC 962, 963, 9619, 964

Type of reservation:

Market access

National treatment

Senior management and boards of directors

Performance requirements

Local presence

Chapter:

Investment liberalisation and Cross-border trade in services

Description:

The EU reserves the right to adopt or maintain any measure with respect to the following:

(a) Libraries, archives, museums and other cultural services (CPC963)

With respect to Investment liberalisation - Market access, National treatment, Performance requirements, Senior management and boards of director, and Cross-border trade in services – Market access, National treatment, Local presence:

The EU, with the exception of AT and, for investment liberalisation, in LT: The supply of library, archive, museum and other

cultural services.

In AT and LT: A licence or concession may be required for establishment.

(b) Entertainment services, theatre, live bands and circus services (CPC 9619, 964 other than 96492)

With respect to Cross-border trade in services – Market access, National treatment:

The EU, with the exception of AT and SE: The cross-border supply of entertainment services, including theatre, live bands, circus and discotheque services.

With respect to Investment liberalisation - Market access, National treatment, Performance requirements, Senior management and boards of director, and Cross-border trade in services – Market access, National treatment, Local presence:

In CY, CZ, FI, MT, PL, RO, SI and SK: With respect to the supply of entertainment services, including theatre, live bands, circus and discotheque services.

In BG: The supply of the following entertainment services: circus, amusement park and similar attraction services, ballroom, discotheque and dance instructor services, and other entertainment services.

In EE: The supply of other entertainment services except for cinema theatre services.

In LT and LV: The supply of all entertainment services other than cinema theatre operation services.

In CY, CZ, LV, PL, RO and SK: The cross-border supply of sporting and other recreational services.

(c) News and press agencies (CPC 962)

With respect to Investment liberalisation – Market access, National treatment:

In FR: Foreign participation in existing companies publishing publications in the French language may not exceed 20 per cent of the capital or of voting rights in the company. The establishment of press agencies of the United Kingdom is subject to conditions set out in domestic regulation. The establishment of press agencies by foreign investors is subject to reciprocity.

Existing measures:

FR: Ordonnance n° 45-2646 du 2 novembre 1945 portant réglementation provisoire des agences de presse; and Loi n° 86-897 du 1 août 1986 portant réforme du régime juridique de la presse.

With respect to Cross-border trade in services – Market access:

In HU: For supply of news and press agencies services.

(d) Gambling and betting services (CPC 96492)

With respect to Investment liberalisation - Market access, National treatment, Performance requirements, Senior management and boards of director, and Cross-border trade in services – Market access, National treatment, Local presence:

The EU: The supply of gambling activities, which involve wagering a stake with pecuniary value in games of chance, including in particular lotteries, scratch cards, gambling services offered in casinos, gambling arcades or licensed premises, betting services, bingo services and gambling services operated by and for the benefit of charities or non-profit-making organisations.

Reservation No. 20 - Transport services and auxiliary transport services

Sector:

Transport services

Type of reservation:

Market access

National treatment

Most-favoured-nation treatment

Senior management and boards of directors

Performance requirements

Local presence

Chapter:

Investment liberalisation and Cross-border trade in services

Description:

The EU reserves the right to adopt or maintain any measure with respect to the following:

(a) Maritime transport – any other commercial activity undertaken from a ship

With respect to Investment liberalisation – Market access, National treatment, Senior management and boards of directors, Performance requirements and Cross-border trade in services – Market access, National treatment:

The EU: The nationality of the crew on a seagoing or non-seagoing vessel.

With respect to Investment liberalisation – Market access, National treatment, Most-favoured nation treatment, Senior management and boards of directors:

The EU, except LV and MT: Only EU natural or legal persons may register a vessel and operate a fleet under the national flag of the state of establishment (applies to all commercial marine activity undertaken from a seagoing ship, including fishing, aquaculture, and services incidental to fishing; international passenger and freight transportation (CPC 721); and services auxiliary to maritime transport).

With respect to Investment liberalisation – Market access and Cross-border trade in services – Market access:

In MT: Exclusive rights exist for the maritime link to mainland Europe through Italy with Malta (CPC 7213, 7214, part of 742, 745, part of 749).

With respect to Cross-border trade in services – Market access, National treatment, Local presence:

In SK: Foreign investors must have their principal office in the Slovak Republic in order to apply for a licence enabling them to provide a service (CPC 722).

(b) Auxiliary services to maritime transport

With respect to Investment liberalisation – Market access, National treatment, Senior management and boards of directors and Cross-border trade in services – Market access, National treatment, Local presence:

The EU: The supply of pilotage and berthing services. For greater certainty, regardless of the criteria which may apply to the registration of ships in a Member State of the European Union, the European Union reserves the right to require that only ships registered on the national registers of Member States of the European Union may provide pilotage and berthing services (CPC 7452).

The EU, with the exception of LT and LV: Only vessels carrying the flag of a Member State of the European Union may provide pushing and towing services (CPC 7214).

With respect to Investment liberalisation – Market access and Cross-border trade in services – National treatment, Local presence:

In LT: Only juridical persons of Lithuania or juridical persons of a Member State of the

European Union with branches in Lithuania that have a Certificate issued by the Lithuanian Maritime Safety Administration may provide pilotage and berthing, pushing and towing services (CPC 7214, 7452).

With respect to Investment liberalisation – Market access and Cross-border trade in services – Market access, National treatment, Local presence:

In BE: Cargo handling services can only be operated by accredited workers, eligible to work in port areas designated by royal decree (CPC 741).

Existing measures:

BE: Loi du 8 juin 1972 organisant le travail portuaire;

Arrêté royal du 12 janvier 1973 instituant une Commission paritaire des ports et fixant sa dénomination et sa compétence;

Arrêté royal du 4 septembre 1985 portant agrément d'une organisation d'employeur (Anvers);

Arrêté royal du 29 janvier 1986 portant agrément d'une organisation d'employeur (Gand);

Arrêté royal du 10 juillet 1986 portant agrément d'une organisation d'employeur (Zeebrugge); Arrêté royal du 1er mars 1989 portant agrément d'une organisation d'employeur (Ostende); and

Arrêté royal du 5 juillet 2004 relatif à la reconnaissance des ouvriers portuaires dans les zones portuaires tombant dans le champ d'application de la loi du 8 juin 1972 organisant le travail portuaire, tel que modifié.

(c) Auxiliary services to inland waterways transport

With respect to Investment liberalisation – Market access, National treatment, Most-favoured nation treatment, Senior management and boards of directors, Performance requirements and Cross-border trade in services – Market access, National treatment, Local presence, Most favoured-nation treatment:

The EU: Services auxiliary to inland waterways transportation.

(d) Rail transport and auxiliary services to rail transport

With respect to Investment liberalisation – Market access, National treatment and Cross-border trade in services – Market access, National treatment, Local presence:

In EU: Railway passenger transportation (CPC 7111).

With respect to Investment liberalisation – Market access, and Cross-border trade in services – Market access, Local Presence:

In EU: Railway freight transportation (CPC 7112).

In LT: Maintenance and repair services of rail transport equipment are subject to a state monopoly (CPC 86764, 86769, part of 8868).

In SE (with respect only to Market access): Maintenance and repair services of rail transport equipment are subject to an economic needs test when an investor intends to establish its own terminal infrastructure facilities. Main criteria: space and capacity constraints (CPC 86764, 86769, part of 8868).

Existing measures:

EU: Directive 2012/34/EU of the European Parliament and of the Council (4).

SE: Planning and Building Act (2010:900).

(e) Road transport (passenger transportation, freight transportation, international truck transport services) and services auxiliary to road transport

With respect to Cross-border trade in services – Market access, National treatment, Local presence:

The EU: For road transport services covered by Heading Three of Part Two of this Agreement and Annex 31 to this Agreement.

With respect to Investment liberalisation – Market access, National treatment, Senior management and boards of directors:

The EU: For road transport services covered by Heading Three of Part Two of this Agreement and Annex 31 to this Agreement:

To limit the supply of cabotage within a Member State by foreign investors established in another Member State (CPC 712).

With respect to Investment liberalisation – Market access, National treatment, Senior management and boards of directors and Cross-border trade in services – Market access, National treatment, Local presence:

The EU: For road transport services not covered by Heading Three of Part Two of this Agreement and Annex 31 to this Agreement:

(i) to require establishment and to limit the cross-border supply of road transport services (CPC 712).

(ii) to limit the supply of cabotage within a Member State by foreign investors established in another Member State (CPC 712).

(iii) an economic needs test may apply to taxi services in the Union setting a limit on the number of service suppliers. Main criteria: local demand as provided in applicable laws (CPC 71221).

With respect to Investment liberalisation – Market access:

In BE: A maximum number of licences can be fixed by law (CPC 71221).

In IT: An economic needs test is applied to limousine services. Main criteria: number of and impact on existing establishments, population density, geographical spread, impact on traffic conditions and creation of new employment.

An economic needs test is applied to intercity bussing services. Main criteria: number of and impact on existing establishments, population density, geographical spread, impact on traffic conditions and creation of new employment.

An economic needs test is applied to the supply of freight transportation services. Main criteria: local demand (CPC 712).

In BG, DE: For passenger and freight transportation, exclusive rights or authorisations may only be granted to natural persons of the Union and to legal persons of the Union having their headquarters in the Union. (CPC 712).

In MT: For public bus service: The entire network is subject to a concession which includes a Public Service Obligation agreement to cater for certain social sectors (such as students and the elderly) (CPC 712).

With respect to Investment liberalisation – Market access, National treatment,

In FI: Authorisation is required to provide road transport services, which is not extended to foreign registered vehicles (CPC 712).

With respect to Investment liberalisation – Market access, National treatment:

In FR: The supply of intercity bussing services (CPC 712).

With respect to Investment liberalisation – Market access:

In ES: For passenger transportation, an economic needs test applies to services provided under CPC 7122. Main criteria: local demand. An economic needs test applies for intercity bussing services. Main criteria: number of and impact on existing establishments, population density, geographical spread, impact on traffic conditions and creation of new employment.

In SE: Maintenance and repair services of road transport equipment are subject to an economic needs test when a supplier intends to establish its own terminal infrastructure facilities. Main criteria: space and capacity constraints (CPC 6112, 6122, 86764, 86769, part of 8867).

In SK: For freight transportation, an economic needs test is applied. Main criteria: local demand (CPC 712).

With respect to Cross-border trade in services – Market access:

In BG: To require establishment for supporting services to road transport (CPC 744).

Existing measures:

EU: Regulation (EC) No 1071/2009 of the European Parliament and of the Council (5); Regulation (EC) No 1072/2009 of the European Parliament and of the Council (6); and Regulation (EC) No 1073/2009 of the European Parliament and of the Council (7).

FI: Laki kaupallisista tavarankuljetuksista tiellä (Act on Commercial Road Transport) 693/2006; Laki liikenteen palveluista (Act on Transport Services) 320/2017;

Ajoneuvolaki (Vehicles Act) 1090/2002.

IT: Legislative decree 285/1992 (Road Code and subsequent amendments) article 85;

Legislative Decree 395/2000 article 8 (road transport of passengers);

Law 21/1992 (Framework law on non-scheduled public road transport of passengers);

Law 218/2003 article 1 (transport of passenger through rented buses with driver); and Law 151/1981 (framework law on public local transport).

SE: Planning and Building Act (2010:900).

(f) Space transport and rental of space craft

With respect to Investment liberalisation – Market access, National treatment, Performance requirements, Senior management and boards of directors and Cross-border trade in services – Market access, National treatment, Local presence:

The EU: The supply of space transport services and the supply of rental of space craft services (CPC 733, part of 734).

(g) Most-favoured-nation exemptions

With respect to Investment liberalisation – Most-favoured-nation treatment, and Cross-border trade in services – Most-favoured-nation treatment:

— Transport (cabotage) other than maritime transport

In FI: According differential treatment to a country pursuant to existing or future bilateral agreements exempting vessels registered under the foreign flag of a specified other country or foreign registered vehicles from the general prohibition from providing cabotage transport (including combined transport, road and rail) in Finland on the basis of reciprocity (part of CPC 711, part of 712, part of 722).

— Supporting services for maritime transport

In BG: In so far as the United Kingdom allows service suppliers from Bulgaria to supply cargo-handling services and storage and warehouse services in sea and river harbours, including services relating to containers and goods in containers, Bulgaria will allow service suppliers from the United Kingdom to supply cargo-handling services and storage and warehouse services in sea and river harbours, including services relating to containers and goods in containers under the same conditions (part of CPC 741, part of 742).

— Rental or leasing of vessels

In DE: Chartering-in of foreign ships by consumers resident in Germany may be subject to a condition of reciprocity (CPC 7213, 7223, 83103).

— Road and rail transport

The EU: To accord differential treatment to a country pursuant to existing or future bilateral agreements relating to international road haulage (including combined transport – road or rail) and passenger transport, concluded between the Union or the Member States and a third country (CPC 7111, 7112, 7121, 7122, 7123). That treatment may:

(a) reserve or limit the supply of the relevant transport services between the contracting Parties or across the territory of the contracting Parties to vehicles registered in each contracting Party (8); or

(b) provide for tax exemptions for such vehicles.

— Road transport

In BG: Measures taken under existing or future agreements, which reserve or restrict the supply of these kinds of transportation services and specify the terms and conditions of this supply, including transit permits or preferential road taxes, in the territory of Bulgaria or across the borders of Bulgaria (CPC 7121, 7122, 7123).

In CZ: Measures that are taken under existing or future agreements, and which reserve or limit the supply of transport services and specify operating conditions, including transit permits or preferential road taxes of a transport services into, in, across and out of the Czech Republic to the contracting parties concerned (CPC 7121, 7122, 7123).

In ES: Authorisation for the establishment of a commercial presence in Spain may be refused to service suppliers whose country of origin does not accord effective market access to service suppliers of Spain (CPC 7123).

Existing measures:

Ley 16/1987, de 30 de julio, de Ordenación de los Transportes Terrestres.



In HR: Measures applied under existing or future agreements on international road transport and which reserve or limit the supply of transport services and specify operating conditions, including transit permits or preferential road taxes of transport services into, in, across and out of Croatia to the parties concerned (CPC 7121, 7122, 7123).

In LT: Measures that are taken under bilateral agreements and which set the provisions for transport services and specify operating conditions, including bilateral transit and other transport permits for transport services into, through and out of the territory of Lithuania to the contracting parties concerned, and road taxes and levies (CPC 7121, 7122, 7123).

In SK: Measures that are taken under existing or future agreements, and which reserve or limit the supply of transport services and specify operating conditions, including transit permits or preferential road taxes of a transport services into, in, across and out of the Slovak Republic to the contracting parties concerned (CPC 7121, 7122, 7123).

— Rail transport

In BG, CZ and SK: For existing or future agreements, and which regulate traffic rights and operating conditions, and the supply of transport services in the territory of Bulgaria, the Czech Republic and Slovakia and between the countries concerned. (CPC 7111, 7112).

— Air transport - Services auxiliary to air transport

The EU: According differential treatment to a third country pursuant to existing or future bilateral agreements relating to ground-handling services.

— Road and rail transport

In EE: when according differential treatment to a country pursuant to existing or future bilateral agreements on international road transport (including combined transport-road or rail), reserving or limiting the supply of a transport services into, in, across and out of Estonia to the contracting Parties to vehicles registered in each contracting Party, and providing for tax exemption for such vehicles (part of CPC 711, part of 712, part of 721).

— All passenger and freight transport services other than maritime and air transport

In PL: In so far as the United Kingdom allows the supply of transport services into and across the territory of the United Kingdom by passenger and freight transport suppliers of Poland, Poland will allow the supply of transport services by passenger and freight transport suppliers of the United Kingdom into and across the territory of Poland under the same conditions.

Reservation No. 21 - Agriculture, fishing and water

Sector:

Agriculture, hunting, forestry; fishing, aquaculture, services incidental to fishing; collection, purification and distribution of water

Industry classification:

ISIC Rev. 3.1 011, ISIC Rev. 3.1 012, ISIC Rev. 3.1 013, ISIC Rev. 3.1 014, ISIC Rev. 3.1 015, CPC 8811, 8812, 8813 other than advisory and consultancy services; ISIC Rev. 3.1 0501, 0502, CPC 882

Type of reservation:

Market access

National treatment

Most-favoured-nation treatment

Senior management and boards of directors

Performance requirements

Local presence

Chapter:

Investment liberalisation and Cross-border trade in services

Description:

The EU reserves the right to adopt or maintain any measure with respect to the following:

(a) Agriculture, hunting and forestry

With respect to Investment liberalisation – Market access, National treatment:

In HR: Agricultural and hunting activities.

In HU: Agricultural activities (ISIC Rev. 3.1 011, 3.1 012, 3.1 013, 3.1 014, 3.1 015, CPC 8811, 8812, 8813 other than advisory and consultancy services).

Existing measures:

HR: Agricultural Land Act (OG 20/18, 115/18, 98/19)

(b) Fishing, aquaculture and services incidental to fishing (ISIC Rev. 3.1 0501, 0502, CPC 882)

With respect to Investment liberalisation – Market access, National treatment, Senior management and boards of directors, Performance requirements, Most-favoured-nation treatment and Cross-border trade in services – Market access, National treatment, Most-favoured-nation treatment, Local presence:

The EU:

1. In particular within the framework of the Common Fisheries Policy, and of fishing agreements with a third country, access to and use of the biological resources and fishing grounds situated in maritime waters coming under the sovereignty or the jurisdiction of Member States, or entitlements for fishing under a Member State fishing licence, including:

(a) regulating the landing of catches by vessels flying the flag of the United Kingdom or a third country with respect to the quotas allocated to them or, only with respect to vessels flying the flag of a Member State, requiring that a proportion of the total catch is landed in Union ports;

(b) determining a minimum size for a company in order to preserve both artisanal and coastal fishing vessels;

(c) according differential treatment pursuant to existing or future bilateral agreements relating to fisheries; and

(d) requiring the crew of a vessel flying the flag of a Member State to be nationals of Member States.

2. A fishing vessel's entitlement to fly the flag of a Member State only if:

(a) it is wholly owned by:

(i) companies incorporated in the Union; or

(ii) Member State nationals;

(b) its day-to-day operations are directed and controlled from within the Union; and

(c) any charterer, manager or operator of the vessel is a company incorporated in the Union or a national of a Member State.

3. A commercial fishing licence granting the right to fish in the territorial waters of a Member State may only be granted to vessels flying the flag of a Member State.

4. The establishment of marine or inland aquaculture facilities.

5. Point (a), (b), (c) (other than with respect to most-favoured nation treatment) and (d) of paragraph 1; point (a)(i), point (b) and (c) of paragraph 2 and paragraph 3 only apply to measures which are applicable to vessels or to enterprises irrespective of the nationality of their beneficial owners.

With respect to Investment liberalisation – Market access:

In FR: Nationals of non-European Union countries cannot participate in French maritime State property for fish, shellfish or algae farming.

With respect to Investment liberalisation – Market access, National treatment, Most-favoured nation treatment and Cross-border trade in services – Market access, National treatment:

In BG: The taking of marine and river-living resources, performed by vessels in the internal marine waters, and the territorial sea of Bulgaria, shall be performed by vessels flying the flag of Bulgaria. A foreign ship may not engage in commercial fishing in the exclusive economic zone save on the basis of an agreement between Bulgaria and the flag state. While passing through the exclusive economic zone, foreign fishing ships may not maintain their fishing gear in operational mode.

(c) Collection, purification and distribution of water

With respect to Investment liberalisation – Market access, National treatment and Cross-border trade in services – Market access, National treatment, Local presence:

The EU: For activities, including services relating to the collection, purification and distribution of water to household, industrial, commercial or other users, including the supply of drinking water, and water management.

Reservation No. 22 - Energy related activities

Sector:

Production of energy and related services

Industry classification:

ISIC Rev. 3.1 10, 1110, 12, 120, 1200, 13, 14, 232, 233, 2330, 40, 401, 4010, 402, 4020, part of 4030, CPC 613, 62271, 63297, 7131, 71310, 742, 7422, part of 88, 887.

Type of reservation:

Market access

National treatment

Senior management and boards of directors

Performance requirements

Local presence

Chapter:

Investment liberalisation and Cross-border trade in services

Description:

The EU reserves the right to adopt or maintain any measure with respect to the following:

(a) Energy services – general (ISIC Rev. 3.1 10, 1110, 13, 14, 232, 40, 401, 402, part of 403, 41; CPC 613, 62271, 63297, 7131, 742, 7422, 887 (other than advisory and consulting services))

With respect to Investment liberalisation – Market access, National treatment, Senior management and boards of directors, Performance requirements and Cross-border trade in services – Market access, National treatment, Local presence:

The EU: Where a Member State permits foreign ownership of a gas or electricity transmission system, or an oil and gas pipeline transport system, with respect to enterprises of the United Kingdom controlled by natural or legal persons of a third country which accounts for more than 5 per cent of the Union's oil, natural gas or electricity imports, in order to guarantee the security of the energy supply of the Union as a whole, or of an individual Member State. This reservation does not apply to advisory and consultancy services provided as services incidental to energy distribution.

This reservation does not apply to HR, HU and LT (for LT, only CPC 7131) with regard to the pipeline transport of fuels, nor to LV with regard to services incidental to energy distribution, nor to SI with regard to services incidental to the distribution of gas (ISIC Rev. 3.1 401, 402, CPC 7131, 887 other than advisory and consultancy services).

In CY: For the manufacture of refined petroleum products in so far as the investor is controlled by a natural or juridical person of a third country which accounts for more than 5 per cent of the Union's oil or natural gas imports, as well as to the manufacture of gas, distribution of gaseous fuels through mains on own account, the production, transmission and distribution of electricity, the pipeline transportation of fuels, services incidental to electricity and natural gas distribution other than advisory and consulting services, wholesale services of electricity, retailing services of motor fuel, electricity and non-bottled gas. Nationality and residency conditions applies for electricity related services. (ISIC Rev. 3.1 232, 4010, 4020,

CPC 613, 62271, 63297, 7131, and 887 other than advisory and consulting services).

In FI: The transmission and distribution networks and systems of energy and of steam and hot water.

In FI: The quantitative restrictions in the form of monopolies or exclusive rights for the importation of natural gas, and for the production and distribution of steam and hot water. Currently, natural monopolies and exclusive rights exist (ISIC Rev. 3.1 40, CPC 7131, 887 other than advisory and consultancy services).

In FR: The electricity and gas transmission systems and oil and gas pipeline transport (CPC 7131).

With respect to Investment liberalisation – Market access, National treatment, Senior management and boards of directors and Cross-border trade in services – Market access, National treatment, Local presence:

In BE: The energy distribution services, and services incidental to energy distribution (CPC 887 other than consultancy services).

With respect to Investment liberalisation – Market access, National treatment and Cross-border trade in services –National treatment, Local presence:

In BE: For energy transmission services, regarding the types of legal entities and to the treatment of public or private operators to whom BE has conferred exclusive rights. Establishment is required within the Union (ISIC Rev. 3.1 4010, CPC 71310).

In BG: For services incidental to energy distribution (part of CPC 88).

In PT: For the production, transmission and distribution of electricity, the manufacturing of gas, the pipeline transportation of fuels, wholesale services of electricity, retailing services of electricity and non-bottled gas, and services incidental to electricity and natural gas distribution. Concessions for electricity and gas sectors are assigned only to limited companies with their headquarters and effective management in PT (ISIC Rev. 3.1 232, 4010, 4020, CPC 7131, 7422, 887 other than advisory and consulting services).

In SK: An authorisation is required for the production, transmission and distribution of electricity, manufacture of gas and distribution of gaseous fuels, production and distribution of steam and hot water, pipeline transportation of fuels, wholesale and retail of electricity, steam and hot water, and services incidental to energy distribution, including services in the area of energy efficiency, energy savings and energy audit. An economic needs test is applied and the application may be denied only if the market is saturated. For all those activities, an authorisation may only be granted to a natural person with permanent residency in the EEA or a legal person of the EEA.

With respect to Investment liberalisation – Market access, National treatment:

In BE: With the exception of the mining of metal ores and other mining and quarrying, enterprises controlled by natural or legal persons of a third country which accounts for more than 5 per cent of the European Union's oil or natural gas or electricity imports may be prohibited from obtaining control of the activity. Incorporation is required (no branching) (ISIC Rev. 3.1 10, 1110, 13, 14, 232, part of 4010, part of 4020, part of 4030).

Existing measures:

EU: Directive (EU) 2019/944 of the European Parliament and of the Council (9); and

Directive 2009/73/EC of the European Parliament and of the Council (10).

BG: Energy Act.

CY: The Regulation of the Electricity Market Laws of 2003 Law 122(I)/2003 as amended;

The Regulation of the Gas Market Laws of 2004, Law 183(I)/2004 as amended;

The Petroleum (Pipelines) Law, Chapter 273;

The Petroleum Law Chapter 272 as amended; and

The Petroleum and Fuel Specifications Laws of 2003, Law 148(I)/2003 as amended.

FI: Maakaasumarkkinalaki (Natural Gas Market Act) (508/2000); and Sähkömarkkinalaki (Electricity Market Act) (386/1995).  
Maakaasumarkkinalaki (Natural Gas Market Act) (587/2017)

FR: Code de l'énergie.

PT: Decree-Law 230/2012 and Decree-Law 231/2012, 26 October - Natural Gas; Decree-Law 215-A/2012, and Decree-Law 215-B/2012, 8 October - Electricity; and Decree-Law 31/2006, 15 February - Crude oil/Petroleum products.

SK: Act 51/1988 on Mining, Explosives and State Mining Administration;

Act 569/2007 on Geological Works;

Act 251/2012 on Energy; and Act 657/2004 on Thermal Energy.

(b) Electricity (ISIC Rev. 3.1 40, 401; CPC 62271, 887 (other than advisory and consulting services))

With respect to Investment liberalisation – Market access, National treatment, Senior management and boards of directors, Performance requirements and Cross-border trade in services – Market access, National treatment:

In FI: The importation of electricity. With respect to cross-border trade, the wholesale and retail of electricity.

In FR: Only companies where 100 per cent of the capital is held by the French State, by another public sector organisation or by Electricité de France (EDF), may own and operate electricity transmission or distribution systems.

With respect to Investment liberalisation – Market access, National treatment and Cross-border trade in services – Market access, National treatment:

In BG: For the production of electricity and the production of heat.

In PT: The activities of electricity transmission and distribution are carried out through exclusive concessions of public service.

With respect to Investment liberalisation – Market access, National treatment:

In BE: An individual authorisation for the production of electricity of a capacity of 25 MW or above requires establishment in the Union, or in another State which has a regime similar to that enforced by Directive 96/92/EC of the European Parliament and of the Council (11) in place, and where the company has an effective and continuous link with the economy.

The production of electricity within the offshore territory of BE is subject to concession and a joint venture obligation with a legal person of the Union, or with a legal person of a country having a regime similar to that of Directive 2003/54/EC of the European Parliament and of the Council (12), particularly with regard to conditions relating to the authorisation and selection.

Additionally, the legal person should have its central administration or its head office in a Member State of the European Union or a country meeting the above criteria, where it has an effective and continuous link with the economy.

The construction of electrical power lines which link offshore production to the transmission network of Elia requires authorisation and the company must meet the previously specified conditions, except for the joint venture requirement.

With respect to Cross-border trade in services – National treatment:

In BE: An authorisation is necessary for the supply of electricity by an intermediary having customers established in BE who are connected to the national grid system or to a direct line whose nominal voltage is higher than 70,000 volts. That authorisation may only be granted to a natural or legal person of the EEA.

With respect to Investment liberalisation – Market access:

In FR: For the production of electricity.

Existing measures:

BE: Arrêté Royal du 11 octobre 2000 fixant les critères et la procédure d'octroi des autorisations individuelles préalables à la construction de lignes directes;

Arrêté Royal du 20 décembre 2000 relatif aux conditions et à la procédure d'octroi des concessions domaniales pour la construction et l'exploitation d'installations de production d'électricité à partir de l'eau, des courants ou des vents, dans les espaces marins sur lesquels la Belgique peut exercer sa juridiction conformément au droit international de la mer; and Arrêté Royal du 12 mars 2002 relatif aux modalités de pose de câbles d'énergie électrique qui pénètrent dans la mer territoriale ou dans le territoire national ou qui sont installés ou utilisés dans le cadre de l'exploration du plateau

continental, de l'exploitation des ressources minérales et autres ressources non vivantes ou de l'exploitation d'îles artificielles, d'installations ou d'ouvrages relevant de la juridiction belge.

Arrêté royal relatif aux autorisations de fourniture d'électricité par des intermédiaires et aux règles de conduite applicables à ceux-ci.

Arrêté royal du 12 juin 2001 relatif aux conditions générales de fourniture de gaz naturel et aux conditions d'octroi des autorisations de fourniture de gaz naturel.

FI: Maakaasumarkkinalaki (Natural Gas Market Act) (508/2000); and Sähkömarkkinalak (Electricity Market Act) 588/2013; Maakaasumarkkinalaki (Natural Gas Market Act) (587/2017)

FR: Code de l'énergie.

PT: Decree-Law 215-A/2012; and

Decree-Law 215-B/2012, 8 October – Electricity.

(c) Fuels, gas, crude oil or petroleum products (ISIC Rev. 3.1 232, 40, 402; CPC 613, 62271, 63297, 7131, 71310, 742, 7422, part of 88, 887 (other than advisory and consulting services))

With respect to Investment liberalisation – Market access, National treatment, Senior management and boards of directors, Performance requirements and Cross-border trade in services – Market access, National treatment:

In FI: To prevent control or ownership of a liquefied natural gas (LNG) terminal (including those parts of the LNG terminal used for storage or re-gasification of LNG) by foreign natural or legal persons for energy security reasons.

In FR: Only companies where 100 per cent of the capital is held by the French State, by another public sector organisation or by ENGIE, may own and operate gas transmission or distribution systems for reasons of national energy security.

With respect to Investment liberalisation – Market access, National treatment and Cross-border trade in services – Market access, National treatment:

In BE: For bulk storage services of gas, regarding the types of legal entities and the treatment of public or private operators to whom Belgium has conferred exclusive rights. Establishment is required within the Union for bulk storage services of gas (part of CPC 742).

In BG: For pipeline transportation, storage and warehousing of petroleum and natural gas, including transit transmission (CPC 71310, part of CPC 742).

In PT: For the cross-border supply of storage and warehousing services of fuels transported through pipelines (natural gas). Also, concessions relating to the transmission, distribution and underground storage of natural gas and the reception, storage and regasification terminal of LNG are awarded through contracts concession, following public calls for tenders (CPC 7131, CPC 7422).

With respect to Cross-border trade in services – Market access, National treatment:

In BE: The pipeline transport of natural gas and other fuels is subject to an authorisation requirement. An authorisation may only be granted to a natural or juridical person established in a Member State (in accordance with Article 3 of the AR of 14 May 2002).

Where the authorisation is requested by a company:

(a) the company must be established in accordance with Belgian law, or the law of another Member State, or the law of a third country, which has undertaken commitments to maintain a regulatory framework similar to the common requirements specified in Directive 98/30/EC of the European Parliament and the Council (13); and

(b) the company must hold its administrative seat, its principal establishment or its head office within a Member State, or a third country, which has undertaken commitments to maintain a regulatory framework similar to the common requirements specified in Directive 98/30/EC, provided that the activity of this establishment or head office represents an effective and continuous link with the economy of the country concerned (CPC 7131).

In BE: In general the supply of natural gas to customers (customers being both distribution companies and consumers whose overall combined consumption of gas arising from all points of supply attains a minimum level of one million cubic metres per year) established in Belgium is subject to an individual authorisation provided by the minister, except where the supplier is a distribution company using its own distribution network. Such an authorisation may only be granted to natural

or legal persons of the European Union.

In CY: For the cross-border supply of storage and warehousing services of fuels transported through pipelines, and the retail sales of fuel oil and bottled gas other than by mail order (CPC 613, CPC 62271, CPC 63297, CPC 7131, CPC 742).

With respect to Investment liberalisation – Market access and Cross-border trade in services – Market access:

In HU: The supply of pipeline transport services requires establishment. Services may be provided through a Contract of Concession granted by the state or the local authority. The supply of this service is regulated by the Hungarian Concession Law (CPC 7131).

With respect to Cross-border trade in services – Market access:

In LT: For pipeline transportation of fuels and services auxiliary to pipeline transport of goods other than fuel.

Existing measures:

BE: Arrêté Royal du 14 mai 2002 relatif à l'autorisation de transport de produits gazeux et autres par canalisations; and Loi du 12 avril 1965 relative au transport de produits gazeux et autres par canalisations (article 8.2).

BG: Energy Act.

CY: The Regulation of the Electricity Market Law of 2003, Law 122(I)/2003 as amended;

The Regulating of the Gas Market Laws of 2004, Law 183(I)/2004 as amended;

The Petroleum (Pipelines) Law, Chapter 273;

The Petroleum Law Chapter 272 as amended; and

The Petroleum and Fuel Specifications Laws of 2003, Law 148(I)/2003 as amended.

FI: Maakaasumarkkinalaki (Natural Gas Market Act) (508/2000); and Maakaasumarkkinalaki (Natural Gas Market Act) (587/2017).

FR: Code de l'énergie.

HU: Act XVI of 1991 about Concessions.

LT: Law on Natural Gas of the Republic of Lithuania of 10 October 2000 No VIII-1973.

PT: Decree-Law 230/2012 and Decree-Law 231/2012, 26 October - Natural Gas; Decree-Law 215-A/2012, and Decree-Law 215-B/2012, 8 October - Electricity; and Decree-Law 31/2006, 15 February - Crude oil/Petroleum products.

(d) Nuclear (ISIC Rev. 3.1 12, 3.1 23, 120, 1200, 233, 2330, 40, part of 4010, CPC 887))

With respect to Investment liberalisation – Market access, National treatment, Senior management and boards of directors and Cross-border trade in services – Market access, National treatment:

In DE: For the production, processing or transportation of nuclear material and generation or distribution of nuclear-based energy.

With respect to Investment liberalisation – Market access, National treatment and Cross-border trade in services – Market access, National treatment:

In AT and FI: for the production, processing distribution or transportation of nuclear material and generation or distribution of nuclear-based energy.

In BE: For the production, processing or transportation of nuclear material and generation or distribution of nuclear-based energy.

With respect to Investment liberalisation – Market access, National treatment, Senior management and boards of directors, Performance requirements:

In HU and SE: For the processing of nuclear fuel and nuclear-based electricity generation.

With respect to Investment liberalisation – Market access, National treatment, Senior management and boards of directors:

In BG: For the processing of fissionable and fusionable materials or the materials from which they are derived, as well as to the trade therewith, to the maintenance and repair of equipment and systems in nuclear energy production facilities, to the transportation of those materials and the refuse and waste matter of their processing, to the use of ionising radiation, and on all other services relating to the use of nuclear energy for peaceful purposes (including engineering and consulting services and services relating to software etc.).

With respect to Investment liberalisation – Market access, National treatment:

In FR: These activities must respect the obligations of an Euratom Agreement.

Existing measures:

AT: Bundesverfassungsgesetz für ein atomfreies Österreich (Constitutional Act for a Non-nuclear Austria) BGBl. I Nr. 149/1999.

BG: Safe Use of Nuclear Energy Act.

FI: Ydinenergialaki (Nuclear Energy Act) (990/1987).

HU: Act CXVI of 1996 on Nuclear Energy; and

Government Decree Nr. 72/2000 on Nuclear Energy.

SE: The Swedish Environmental Code (1998:808); and Law on Nuclear Technology Activities (1984:3).

Reservation No. 23 - Other services not included elsewhere

Sector:

Other services not included elsewhere

Industry classification:

CPC 9703, part of CPC 612, part of CPC 621, part of CPC 625, part of 85990

Type of reservation:

Market access

National treatment

Senior management and boards of directors

Performance requirements

Local presence

Chapter:

Investment liberalisation and Cross-border trade in services

Description:

The EU reserves the right to adopt or maintain any measure with respect to the following:

(a) Funeral, cremation services and undertaking services (CPC 9703)

With respect to Investment liberalisation – Market access, National treatment:

In FI: Cremation services and operation/maintenance of cemeteries and graveyards can only be performed by the state, municipalities, parishes, religious communities or non-profit foundations or societies.

With respect to Investment liberalisation – Market access, National treatment, Senior management and boards of directors and Cross-border trade in services – Market access, National treatment, Local presence:

In DE: Only legal persons established under public law may operate a cemetery. The creation and operation of cemeteries and services related to funerals.

In PT: Commercial presence is required to provide funeral and undertaking services. EEA nationality is required in order to



become a technical manager for entities providing funeral and undertaking services.

In SE: Church of Sweden or local authority monopoly on cremation and funeral services.

In CY, SI: Funeral, cremation and undertaking services.

Existing measures:

FI: Hautaustoimilaki (Act on Burial Service) (457/2003).

PT: Decree-Law 10/2015, of 16 January alterado p/ Lei 15/2018, 27 março.

SE: Begravningslag (1990:1144) (Act of Burials); Begravningsförordningen (1990:1147) (Ordinance of Burials).

(b) Other business-related services

With respect to Cross-border trade in services – Market access:

In FI: Require establishment in Finland or elsewhere in the EEA in order to provide electronic identification services.

Existing measures:

FI: Laki vahvasta sähköisestä tunnistamisesta ja sähköisistä luottamuspalveluista 617/2009 (Act on Strong Electronic Identification and Electronic Trust Services 617/2009).

(c) New services

With respect to Investment liberalisation – Market access, National treatment, Senior management and boards of directors, Performance requirements and Cross-border trade in services – Market access, National treatment, Local presence:

The EU: For the provision of new services other than those classified in the United Nations Provisional Central Product Classification (CPC), 1991.

## **Schedule of the United Kingdom**

Reservation No. 1 – All sectors

Reservation No. 2 – Professional services (all professions except health related)

Reservation No. 3 – Professional services (health related and retail of pharmaceuticals)

Reservation No. 4 – Business services (collection agency services and credit reporting services)

Reservation No. 5 – Business services (placement services)

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Reservation No. 7 – Business services (other business services)

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Reservation No. 12 – Transport services and auxiliary transport services

Reservation No. 13 – Fishing and water

Reservation No. 14 – Energy related activities

Reservation No. 15 – Other services not included elsewhere

Reservation No. 1 – All sectors

Sector:

All sectors

Type of reservation:

Market access

National treatment

Senior management and boards of directors

Performance requirements

Local presence

Obligations for Legal Services

Chapter/ Section:

Investment liberalisation, Cross-border trade in services and Regulatory framework for legal services

Description:

The UK reserves the right to adopt or maintain any measure with respect to the following:

(a) Commercial presence

With respect to Investment liberalisation – Market access:

Services considered as public utilities at a national or local level may be subject to public monopolies or to exclusive rights granted to private operators.

Public utilities exist in sectors such as related scientific and technical consulting services, research and development (R&D) services on social sciences and humanities, technical testing and analysis services, environmental services, health services, transport services and services auxiliary to all modes of transport. Exclusive rights on such services are often granted to private operators, for instance operators with concessions from public authorities, subject to specific service obligations. Given that public utilities often also exist at the sub-central level, detailed and exhaustive sector-specific scheduling is not practical. This reservation does not apply to telecommunications and to computer and related services.

(b) Most-favoured-nation treatment

With respect to Investment liberalisation – Most favoured nation treatment and Cross-Border Trade in Services – Most favoured nation treatment and Regulatory Framework for Legal Services – Obligations:

According differential treatment pursuant to any international investment treaties or other trade agreement in force or signed prior to entry into force of this Agreement.

According differential treatment to a country pursuant to any existing or future bilateral or multilateral agreement which:

(i) creates an internal market in services and investment;

(ii) grants the right of establishment; or

(iii) requires the approximation of legislation in one or more economic sectors.

An internal market on services and establishment means an area without internal frontiers in which the free movement of services, capital and persons is ensured.

The right of establishment means an obligation to abolish in substance all barriers to establishment among the parties to the regional economic integration agreement by the entry into force of that agreement. The right of establishment shall include the right of nationals of the parties to the regional economic integration agreement to set up and operate enterprises under the same conditions provided for nationals under the law of the country where such establishment takes place.

The approximation of legislation means:

(i) the alignment of the legislation of one or more of the parties to the regional economic integration agreement with the legislation of the other party or parties to that agreement; or

(ii) the incorporation of common legislation into the law of the parties to the regional economic integration agreement.

Such alignment or incorporation shall take place, and shall be deemed to have taken place, only at such time that it has been enacted in the law of the party or parties to the regional economic integration agreement.

According differential treatment relating to the right of establishment to nationals or enterprises through existing or future bilateral agreements between the UK and any of the following countries or principalities: Andorra, Monaco, San Marino and the Vatican City State.

(c) Arms, ammunitions and war material

With respect to Investment liberalisation – Market access, National treatment, Most favoured nation treatment, Senior management and boards of directors, Performance requirements and Cross-Border Trade in Services – Market access, Local presence, National treatment, Most favoured nation treatment:

Production or distribution of, or trade in, arms, munitions and war material. War material is limited to any product which is solely intended and made for military use in connection with the conduct of war or defence activities.

Reservation No. 2 – Professional services (all professions except health related)

Sector- sub-sector:

Professional services - legal services, auditing services

Industry classification:

Part of CPC 861, part of 87902, part of 862

Type of reservation:

Market access

National treatment

Senior management and boards of directors

Local presence

Obligations for Legal Services

Chapter/ Section:

Investment liberalisation, Cross-border trade in services and Regulatory framework for legal services

Description:

(a) Legal services

With respect to Investment liberalisation – Market access, Senior management and boards of directors, National treatment, Cross-border trade in services – Market access, Local presence, National treatment and Regulatory framework – for legal services – Obligations:

The UK reserves the right to adopt or maintain any measure with respect to the supply of legal advisory and legal authorisation, documentation, and certification services provided by legal professionals entrusted with public functions, such as notaries, and with respect to services provided by bailiffs (part of CPC 861, part of 87902).

(b) Auditing services (CPC 86211, 86212 other than accounting and bookkeeping services)

With respect to Cross-border trade in services – Market access, Local presence, National treatment:

The UK reserves the right to adopt or maintain any measure with respect to the cross-border supply of auditing services.

Existing measures:

Companies Act 2006

Reservation No. 3 - Professional services (health related and retail of pharmaceuticals)

Sector:

Health related professional services and retail sales of pharmaceutical, medical and orthopaedic goods, other services provided by pharmacists

Industry classification:

CPC 63211, 85201, 9312, 9319, 93121

Type of reservation:

Market access

National treatment

Local presence

Chapter:

Investment liberalisation and Cross-border trade in services

Description:

The UK reserves the right to adopt or maintain any measure with respect to the following:

(a) Medical and dental services; services provided by midwives, nurses, physiotherapists, psychologists and paramedical personnel (CPC 63211, 85201, 9312, 9319)

With respect to Investment liberalisation – Market access:

Establishment for doctors under the National Health Service is subject to medical manpower planning (CPC 93121, 93122).

With respect to Cross-border trade in services – Market access, Local presence, National treatment:

The supply of all health-related professional services, including the services provided by professionals such as medical doctors, dentists, midwives, nurses, physiotherapists, paramedics, and psychologists, requires residency. These services may only be provided by natural persons physically present in the territory of the UK (CPC 9312, part of 93191).

The cross-border supply of medical, dental and midwives services and services provided by nurses, physiotherapists, psychologists and paramedical personnel (part of CPC 85201, 9312, part of 93191).

For service suppliers not physically present in the territory of the UK (part of CPC 85201, 9312, part of 93191).

(b) Retail sales of pharmaceutical, medical and orthopaedic goods, other services provided by pharmacists (CPC 63211)

With respect to Investment liberalisation – Market access and Cross-border trade in services – Market access, Local presence:

Mail order is only possible from the UK, thus establishment in the UK is required for the retail of pharmaceuticals and specific medical goods to the general public in the UK.

With respect to Cross-border trade in services – Market access, Local presence, National treatment:

The cross-border retail sales of pharmaceuticals and of medical and orthopaedic goods, and other services supplied by pharmacists.

Reservation No. 4 – Business services (collection agency services and credit reporting services)

Sector- sub-sector:

Business services - collection agency services, credit reporting services

Industry classification:

CPC 87901, 87902

Type of reservation:

Market access

National treatment

Local presence

Chapter:

Cross-border trade in services

Description:

The UK reserves the right to adopt or maintain any measure with respect to the supply of collection agency services and credit reporting services.

Reservation No. 5 – Business services (placement services)

Sector– sub-sector:

Business Services – placement services

Industry classification:

CPC 87202, 87204, 87205, 87206, 87209

Type of reservation:

Market access

National treatment

Senior management and boards of directors

Local presence

Chapter:

Investment liberalisation and Cross-border trade in services

Description:

The UK reserves the right to adopt or maintain any measure with respect to the following:

The supply of placement services of domestic help personnel, other commercial or industrial workers, nursing and other personnel (CPC 87204, 87205, 87206, 87209).

To require establishment and to prohibit the cross-border supply of placement services of office support personnel and other workers.

Reservation No. 6 – Business services (investigation services)

Sector – sub-sector:

Business Services – investigation services

Industry classification:

CPC 87301

Type of reservation:

Market access

National treatment

Senior management and boards of directors

Performance requirements

Local presence

Chapter:

## Investment liberalisation and Cross-border trade in services

### Description:

The UK reserves the right to adopt or maintain any measure with respect to the supply of investigation services (CPC 87301).

Reservation No. 7 – Business services (other business services)

### Sector– sub-sector:

Business services – other business services

### Industry classification:

CPC 86764, 86769, 8868, part of 8790

### Type of reservation:

Market access

National treatment

Most favoured nation treatment

Local presence

### Chapter:

Investment liberalisation and Cross-border trade in services

### Description:

The UK reserves the right to adopt or maintain any measure with respect to the following:

(a) Maintenance and repair of vessels, rail transport equipment and aircraft and parts thereof (part of CPC 86764, CPC 86769, CPC 8868)

With respect to Cross-border trade in services – Market access, Local presence, National treatment:

To require establishment or physical presence in its territory and prohibiting the cross-border supply of maintenance and repair services of rail transport equipment from outside its territory.

To require establishment or physical presence in its territory and prohibiting the cross-border supply of maintenance and repair services of internal waterways transport vessels from outside its territory.

To require establishment or physical presence in its territory and prohibiting the cross-border supply of maintenance and repair services of maritime vessels from outside its territory.

To require establishment or physical presence in its territory and prohibiting the cross-border supply of maintenance and repair services of aircraft and parts thereof from outside its territory (part of CPC 86764, CPC 86769, CPC 8868).

Only recognised organisations authorised by the UK may carry out statutory surveys and certification of ships on behalf of the UK. Establishment may be required.

### Existing measures:

Regulation (EC) 391/2009 of the European Parliament and the Council of 23 April 2009 on common rules and standards for ship inspection and survey organisations as retained in UK law by the European Union (Withdrawal) Act 2018, and as amended by the Merchant Shipping (Recognised Organisations) (Amendment) (EU Exit) Regulations 2019.

(b) Other business services related to aviation

With respect to Investment liberalisation - Most favoured nation treatment and Cross-border trade in Services – Most favoured nation treatment:

According differential treatment to a third country pursuant to existing or future bilateral agreements relating to the following services:

(i) aircraft repair and maintenance services;

(ii) rental or leasing of aircraft without crew;

(iii) computer reservation system (CRS) services;

(iv) the following services provided using a manned aircraft, subject to compliance with the Parties' respective laws and regulations governing the admission of aircrafts to, departure from and operation within, their territory: aerial fire-fighting, flight training, spraying, surveying, mapping, photography, and other airborne agricultural, industrial and inspection services; and

(v) the selling and marketing of air transport services.

Reservation No. 8 – Education services

Sector:

Education services

Industry classification:

CPC 92

Type of reservation:

Market access

National treatment

Senior management and boards of directors

Performance requirements

Local presence

Chapter:

Investment liberalisation and Cross-border trade in services

Description:

The UK reserves the right to adopt or maintain any measure with respect to the following:

All educational services which receive public funding or State support in any form, and are therefore not considered to be privately funded. Where the supply of privately funded education services by a foreign provider is permitted, participation of private operators in the education system may be subject to the granting of a concession allocated on a non-discriminatory basis.

The supply of privately funded other education services, which means other than those classified as being primary, secondary, higher and adult education services (CPC 929).

Reservation No. 9 – Financial services

Sector:

Financial services

Industry classification:

Type of reservation:

Market access

National treatment

Most-favoured-nation treatment

Local presence

Chapter:

Investment liberalisation and Cross-border trade in services

Description:

The UK reserves the right to adopt or maintain any measure with respect to the following:

(a) All financial services

With respect to Investment liberalisation – Market access:

To require a financial service supplier, other than a branch, when establishing in the UK to adopt a specific legal form, on a non-discriminatory basis.

With respect to Investment liberalisation – Most favoured nation treatment and Cross-border trade in services – Most favoured nation treatment:

According differential treatment to an investor or a financial services supplier of a third country pursuant to any bilateral or multilateral international investment treaty or other trade agreement.

(b) Insurance and insurance-related services

With respect to Cross-border trade in services – Market access, National treatment, Local presence:

For the supply of insurance and insurance-related services except for:

(i) direct insurance services (including co-insurance) and direct insurance intermediation for the insurance of risks relating to:

— maritime transport and commercial aviation and space launching and freight (including satellites), with such insurance to cover any or all of the following: the goods being transported, the vehicle transporting the goods, and any liability deriving therefrom; and

— goods in international transit;

(ii) Reinsurance and retrocession; and

(iii) Services auxiliary to insurance.

(c) Banking and other financial services

With respect to Investment liberalisation – Market access and Cross-border trade in services – Local presence:

Only firms having their registered office in the UK can act as depositories of the assets of investment funds. The establishment of a specialised management company, having its head office and registered office in the UK, is required to perform the activities of management of common funds, including unit trusts, and where allowed under national law, investment companies.

With respect to Cross-border trade in services – Market access, National treatment, Local presence:

For the supply of banking and other financial services, except for:

(i) the provision and transfer of financial information, and financial data processing and related software by suppliers of other financial services; and

(ii) advisory and other auxiliary financial services relating to banking and other financial services as described in point (L) of the definition of banking and other financial services (excluding insurance) in Article 183(a)(ii) of this Agreement, but not intermediation as described in that point;

Reservation No. 10 – Health and social services

Sector:

Health and social services

Industry classification:



CPC 931 other than 9312, part of 93191

Type of reservation:

Market access

National treatment

Senior management and boards of directors

Performance requirements

Local presence

Chapter:

Investment liberalisation and Cross-border trade in services

Description:

The UK reserves the right to adopt or maintain any measure with respect to the following:

(a) Health services – hospital, ambulance, residential health services (CPC 931 other than 9312, part of 93191)

With respect to Investment liberalisation - Market access, National treatment, Performance requirements, Senior management and boards of directors:

For the supply of all health services which receive public funding or State support in any form, and are therefore not considered to be privately funded.

All privately funded health services other than hospital services. The participation of private operators in the privately funded health network may be subject to concession on a non-discriminatory basis. An economic needs test may apply. Main criteria: number of and impact on existing establishments, transport infrastructure, population density, geographic spread, and creation of new employment.

This reservation does not relate to the supply of all health-related professional services, including the services supplied by professionals such as medical doctors, dentists, midwives, nurses, physiotherapists, paramedics, and psychologists, which are covered by other reservations (CPC 931 other than 9312, part of 93191).

(b) Health and social services, including pension insurance

With respect to Cross-border trade in services – Market access, Local presence, National treatment:

Requiring establishment or physical presence in its territory of suppliers and restricting the cross-border supply of health services from outside its territory, the cross-border supply of social services from outside its territory, as well as activities or services forming part of a public retirement plan or statutory system of social security. This reservation does not relate to the supply of all health-related professional services, including the services provided by professionals such as medical doctors, dentists, midwives, nurses, physiotherapists, paramedics, and psychologists, which are covered by other reservations (CPC 931 other than 9312, part of 93191).

(c) Social services, including pension insurance

With respect to Investment liberalisation – Market access, National treatment, Senior management and boards of directors, Performance requirements:

The supply of all social services which receive public funding or State support in any form, and are therefore not considered to be privately funded, and activities or services forming part of a public retirement plan or statutory system of social security. The participation of private operators in the privately funded social network may be subject to concession on a non-discriminatory basis. An economic needs test may apply. Main criteria: number of and impact on existing establishments, transport infrastructure, population density, geographic spread, and creation of new employment.

The supply of privately funded social services other than services relating to convalescent and rest houses and old people's homes.

Reservation No. 11 – Recreational, cultural and sporting services

Sector:

Recreational, cultural and sporting services

Industry classification:

CPC 963, 9619, 964

Type of reservation:

Market access

National treatment

Senior management and boards of directors

Performance requirements

Local presence

Chapter:

Investment liberalisation and Cross-border trade in services

Description:

The UK reserves the right to adopt or maintain any measure with respect to the following:

(a) Libraries, archives, museums and other cultural services (CPC 963)

The supply of library, archive, museum and other cultural services.

(b) Entertainment services, theatre, live bands and circus services (CPC 9619, 964 other than 96492)

The cross-border supply of entertainment services, including theatre, live bands, circus and discotheque services.

(c) Gambling and betting services (CPC 96492)

The supply of gambling activities, which involve wagering a stake with pecuniary value in games of chance, including in particular lotteries, scratch cards, gambling services offered in casinos, gambling arcades or licensed premises, betting services, bingo services and gambling services operated by and for the benefit of charities or non-profit-making organisations.

Reservation No. 12 – Transport services and auxiliary transport services

Sector:

Transport services

Type of reservation:

Market access

National treatment

Most favoured nation treatment

Senior management and boards of directors

Performance requirements

Local presence

Chapter:

Investment liberalisation and Cross-border trade in services

Description:

The UK reserves the right to adopt or maintain any measure with respect to the following:

(a) Maritime transport – any other commercial activity undertaken from a ship

With respect to Investment liberalisation – Market access, National treatment, Senior management and boards of directors, Performance requirements and Cross-border trade in services – Market access, Local presence, National treatment:

The nationality of the crew on a seagoing or non-seagoing vessel.

With respect to Investment liberalisation – Market access, National treatment, Most favoured nation treatment, Senior management and boards of directors:

For the purpose of registering a vessel and operating a fleet under the flag of the UK (all commercial marine activity undertaken from a seagoing ship, including fishing, aquaculture, and services incidental to fishing; international passenger and freight transportation (CPC 721); and services auxiliary to maritime transport). This reservation does not apply to legal persons incorporated in the UK and having an effective and continuous link to its economy.

(b) Auxiliary services to maritime transport

With respect to Investment liberalisation – Market access, National treatment, Senior management and boards of directors and Cross-border trade in services – Market access, Local presence, National treatment:

The supply of pilotage and berthing services. For greater certainty, regardless of the criteria which may apply to the registration of ships in the UK, the UK reserves the right to require that only ships registered on the national registers of the UK may provide pilotage and berthing services (CPC 7452).

Only vessels carrying the flag of the UK may provide pushing and towing services (CPC 7214).

(c) Auxiliary services to inland waterways transport

With respect to Investment liberalisation – Market access, National treatment, Most favoured nation treatment, Senior management and boards of directors, Performance requirements and Cross-border trade in services – Market access, Local presence, National treatment, Most favoured nation treatment:

Services auxiliary to inland waterways transportation.

(d) Rail transport and auxiliary services to rail transport

With respect to Investment liberalisation – Market access, National treatment and Cross-Border Trade in Services – Market access, Local presence, National treatment:

Railway passenger transportation (CPC 7111).

With respect to Investment liberalisation – Market access and Cross-border trade in services – Market access, Local presence:

Railway freight transportation (CPC 7112).

(e) Road transport (passenger transportation, freight transportation, international truck transport services) and services auxiliary to road transport

With respect to Cross-border trade in services – Market access, National treatment, Local presence:

For road transport services covered by Heading Three of Part Two of this Agreement and Annex 31 to this Agreement.

With respect to Investment liberalisation – Market access, National treatment, Senior management and boards of directors and Cross-border trade in services – Market access, Local presence, National treatment:

For road transport services not covered by Heading Three of Part Two of this Agreement and Annex 31 to this Agreement:

(i) to require establishment and to limit the cross-border supply of road transport services (CPC 712);

(ii) an economic needs test may apply to taxi services in the UK setting a limit on the number of service suppliers. Main criteria: Local demand as provided in applicable laws (CPC 71221).

Existing measures:

Regulation (EC) No 1071/2009 of the European Parliament and of the Council of 21 October 2009 establishing common rules concerning the conditions to be complied with to pursue the occupation of road transport operator and repealing Council Directive 96/26/EC as retained in UK law by the European Union (Withdrawal) Act 2018 and as amended by the Licensing of Operators and International Road Haulage (Amendment etc.) (EU Exit) Regulations 2019;

Regulation (EC) No 1072/2009 of the European Parliament and of the Council of 21 October 2009 on common rules for access to the international road haulage market as retained in UK law by the European Union (Withdrawal) Act 2018 and as amended by the Licensing of Operators and International Road Haulage (Amendment etc.) (EU Exit) Regulations 2019; and

Regulation (EC) No 1073/2009 of the European Parliament and of the Council of 21 October 2009 on common rules for access to the international market for coach and bus services, and amending Regulation (EC) No 561/2006 as retained in UK law by the European Union (Withdrawal) Act 2018 and as amended by the Common Rules for Access to the International Market for Coach and Bus Services (Amendment etc.) (EU Exit) Regulations 2019.

(f) Space transport and rental of space craft

With respect to Investment Liberalisation – Market access, National treatment, Performance requirements, Senior management and boards of directors and Cross-border trade in services – Market access, Local presence, National treatment:

Transportation services via space and the rental of space craft (CPC 733, part of 734).

(g) Most-favoured-nation exemptions

With respect to Investment liberalisation – Most favoured nation treatment, and Cross-border trade in services – Most favoured nation treatment:

(i) Road and rail transport

To accord differential treatment to a country pursuant to existing or future bilateral agreements relating to international road haulage (including combined transport – road or rail) and passenger transport, concluded between the UK and a third country (CPC 7111, 7112, 7121, 7122, 7123). That treatment may:

- reserve or limit the supply of the relevant transport services between the contracting parties or across the territory of the contracting parties to vehicles registered in each contracting party; or
- provide for tax exemptions for such vehicles.

(ii) Air transport - Services auxiliary to air transport

According differential treatment to a third country pursuant to existing or future bilateral agreements relating to ground-handling services.

Reservation No. 13 – Fishing and water

Sector:

Fishing, aquaculture, services incidental to fishing; collection, purification and distribution of water

Industry classification:

ISIC Rev. 3.1 0501, 0502, CPC 882, ISIC Rev. 3.1 41

Type of reservation:

Market access

National treatment

Most-favoured-nation treatment

Senior management and boards of directors

Performance requirements

Local presence

Chapter:

Investment liberalisation and Cross-border trade in services

Description:

The UK reserves the right to adopt or maintain any measure with respect to the following:

(a) Fishing, aquaculture and services incidental to fishing (ISIC Rev. 3.1 0501, 0502, CPC 882)

With respect to Investment liberalisation – Market access, National treatment, Senior management and boards of directors, Performance requirements, Most favoured nation treatment and Cross-border trade in services – Market access, National treatment, Local presence, Most favoured nation treatment:

1. In particular within the framework of United Kingdom fisheries policy, and of fishing agreements with a third country, access to and use of biological resources and fishing grounds situated in the maritime waters coming under the sovereignty or jurisdiction of the United Kingdom, or entitlements for fishing under a United Kingdom fishing licence, including:

(a) regulating the landing of catches by vessels flying the flag of a Member State or a third country with respect to the quotas allocated to them or, only with respect to vessels flying the flag of the United Kingdom, requiring that a proportion of the total catch is landed in United Kingdom ports;

(b) determining a minimum size for a company in order to preserve both artisanal and coastal fishing vessels;

(c) according differential treatment pursuant to existing or future international agreements relating to fisheries; and

(d) requiring the crew of a vessel flying the flag of the United Kingdom to be United Kingdom nationals.

2. A fishing vessel's entitlement to fly the flag of the United Kingdom only if:

(a) it is wholly owned by:

(i) companies incorporated in the United Kingdom; or

(ii) United Kingdom nationals;

(b) its day-to-day operations are directed and controlled from within the United Kingdom; and

(c) any charterer, manager or operator of the vessel is a company incorporated in the United Kingdom or a United Kingdom national.

3. A commercial fishing licence granting the right to fish in the territorial waters of the United Kingdom may only be granted to vessels flying the flag of the United Kingdom.

4. The establishment of marine or inland aquaculture facilities.

5. Point (a), (b), (c) (other than with respect to most-favoured nation treatment) and (d) of paragraph 1, point (a)(i), point (b) and (c) of paragraph 2 and paragraph 3 only apply to measures which are applicable to vessels or to enterprises irrespective of the nationality of their beneficial owners.

(b) Collection, purification and distribution of water

With respect to Investment liberalisation – Market access, National treatment and Cross-border trade in services – Market access, Local presence, National treatment:

For activities, including services relating to the collection, purification and distribution of water to household, industrial, commercial or other users, including the supply of drinking water, and water management.

Reservation No. 14 – Energy related activities

Sector:

Production of energy and related services

Industry classification:

ISIC Rev. 3.1 401, 402, CPC 7131, CPC 887 (other than advisory and consulting services).

Type of reservation:

Market access

National treatment

Senior management and boards of directors

Performance requirements

Local presence

Chapter:

Investment liberalisation and Cross-border trade in services

Description:

The UK reserves the right to adopt or maintain any measure, where the UK permits foreign ownership of a gas or electricity transmission system, or an oil and gas pipeline transport system, with respect to enterprises of the Union controlled by natural persons or enterprises of a third country which accounts for more than 5 per cent of the UK's oil, natural gas or electricity imports, in order to guarantee the security of the energy supply of the UK. This reservation does not apply to advisory and consultancy services provided as services incidental to energy distribution.

Reservation No. 15 – Other services not included elsewhere

Sector:

Other services not included elsewhere

Type of reservation:

Market access

National treatment

Senior management and boards of directors

Performance requirements

Local presence

Chapter:

Investment liberalisation and Cross-border trade in services

Description:

The UK reserves the right to adopt or maintain any measure with respect to the provision of new services other than those classified in the United Nations Provisional Central Product Classification (CPC), 1991.

(1) Regulation (EC) No 391/2009 of the European Parliament and the Council of 23 April 2009 on common rules and standards for ship inspection and survey organisations (OJ EU L 131 28.5.2009, p. 11).

(2) Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (OJ EU L 302, 17.11.2009, p. 32).

(3) Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010 (OJ EU L 174, 1.7.2011, p. 1).

(4) Directive 2012/34/EU of the European Parliament and of the Council of 21 November 2012 establishing a single European railway area (OJ EU L 343 14.12.2012, p. 32).

(5) Regulation (EC) No 1071/2009 of the European Parliament and of the Council of 21 October 2009 establishing common rules concerning the conditions to be complied with to pursue the occupation of road transport operator and repealing Council Directive 96/26/EC (OJ EU L 300, 14.11.2009, p. 51).

(6) Regulation (EC) No 1072/2009 of the European Parliament and of the Council of 21 October 2009 on common rules for access to the international road haulage market (OJ EU L 300, 14.11.2009, p. 72).

(7) Regulation (EC) No 1073/2009 of the European Parliament and of the Council of 21 October 2009 on common rules for

access to the international market for coach and bus services, and amending Regulation (EC) No 561/2006 (OJ EU L 300 14.11.2009, p. 88).

(8) With regard to Austria the part of the most-favoured-nation treatment exemption regarding traffic rights covers all countries with whom bilateral agreements on road transport or other arrangements relating to road transport exist or may be considered in future.

(9) Directive (EU) 2019/944 of the European Parliament and of the Council of 5 June 2019 on common rules for the internal market for electricity and amending Directive 2012/27/EU (OJ EU L 158, 14.6.2019, p. 125).

(10) Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC (OJ EU L 211, 14.8.2009, p. 94).

(11) Directive 96/92/EC of the European Parliament and of the Council of 19 December 1996 concerning common rules for the internal market in electricity (OJ EU L 27, 30.1.1997, p. 20).

(12) Directive 2003/54/EC of the European Parliament and of the Council of 26 June 2003 concerning common rules for the internal market in electricity and repealing Directive 96/92/EC (OJ EU L 176, 15.7.2003, p. 37).

(13) Directive 98/30/EC of the European Parliament and the Council of 22 June 1998 concerning common rules for the internal market in natural gas (OJ EU L 204, 21.7.1998, p. 1).

## **ANNEX 21. BUSINESS VISITORS FOR ESTABLISHMENT PURPOSES, INTRA-CORPORATE TRANSFEREES AND SHORT-TERM BUSINESS VISITORS**

1. A measure listed in this Annex may be maintained, continued, promptly renewed, or amended, provided that the amendment does not decrease the conformity of the measure with Articles 141 and 142 of this Agreement, as it existed immediately before the amendment.

2. Articles 141 and 142 of this Agreement do not apply to any existing non-conforming measure listed in this Annex, to the extent of the non-conformity.

3. The schedules in paragraphs 6, 7 and 8 apply only to the territories of the United Kingdom and the Union in accordance with Article 520(2) and Article 774 of this Agreement and are only relevant in the context of trade relations between the Union and its Member States with the United Kingdom. They do not affect the rights and obligations of the Member States under Union law.

4. For greater certainty, for the Union, the obligation to grant national treatment does not entail the requirement to extend to natural or legal persons of the United Kingdom the treatment granted in a Member State, in application of the Treaty on the Functioning of the European Union, or of any measure adopted pursuant to that Treaty, including their implementation in the Member States, to:

(i) natural persons or residents of another Member State; or

(ii) legal persons constituted or organised under the law of another Member State or of the Union and having their registered office, central administration or principal place of business in the Union.

5. The following abbreviations are used in the paragraphs below:

AT Austria

BE Belgium

BG Bulgaria

CY Cyprus

CZ Czechia

DE Germany

DK Denmark

EE Estonia

EL Greece

ES Spain

EU European Union, including all its Member States

FI Finland

FR France

HR Croatia

HU Hungary

IE Ireland

IT Italy

LT Lithuania

LU Luxembourg

LV Latvia

MT Malta

NL The Netherlands

PL Poland

PT Portugal

RO Romania

SE Sweden

SI Slovenia

SK Slovak Republic

6. The Union's non-conforming measures are:

Business visitors for establishment purposes

All sectors

AT, CZ: Business visitor for establishment purposes needs to work for an enterprise other than a non-profit organisation, otherwise: Unbound.

SK: Business visitor for establishment purposes needs to work for an enterprise other than a non-profit organisation, otherwise: Unbound. Work permit required, including economic needs test.

CY: Permissible length of stay: up to 90 days in any twelve month period. Business visitor for establishment purposes needs to work for an enterprise other than a non-profit organisation, otherwise: Unbound.

Intra-corporate transferees

All sectors

EU: Until 31 December 2022 any charge, fee or tax imposed by a Party (other than fees associated with the processing of a visa, work permit, or residency permit application or renewal) on the grounds of being allowed to perform an activity or to hire a person who can perform such activity in the territory of a Party, unless it is a requirement consistent with Article 140(3) of this Agreement, or a health fee under national legislation in connection with an application for a permit to enter, stay, work, or reside in the territory of a Party.

AT, CZ, SK: Intra-corporate transferees need to be employed by an enterprise other than a non-profit organisation, otherwise: Unbound.

FI: Senior personnel needs to be employed by an enterprise other than a non-profit organisation.

HU: Natural persons who have been a partner in an enterprise do not qualify to be transferred as intra-corporate



transferees.

Short-term business visitors

All activities referred to in paragraph 8:

CY, DK, HR: Work permit, including economic needs test, required in case the short-term business visitor supplies a service.

LV: Work permit required for operations/activities to be performed on the basis of a contract.

MT: Work permit required. No economic needs tests performed.

SI: A single residency and work permit is required for the supply of services exceeding 14 days at a time and for certain activities (research and design; training seminars; purchasing; commercial transactions; translation and interpretation). An economic needs test is not required.

SK: In case of supplying a service in the territory of Slovakia, a work permit, including economic needs test, is required beyond seven days in a month or 30 days in calendar year.

Research and design

AT: Work permit, including economic needs test, required, except for research activities of scientific and statistical researchers.

Marketing research

AT: Work permit required, including economic needs test. Economic needs test is waived for research and analysis activities for up to seven days in a month or 30 days in a calendar year. University degree required.

CY: Work permit required, including economic needs test.

Trade fairs and exhibitions

AT, CY: Work permit, including economic needs test, required for activities beyond seven days in a month or 30 days in a calendar year.

After-sales or after-lease service

AT: Work permit required, including economic needs test. Economic needs test is waived for natural persons training workers to supply services and possessing specialised knowledge.

CY, CZ : Work permit is required beyond seven days in a month or 30 days in calendar year.

ES: Installers, repair and maintainers should be employed as such by the legal person supplying the good or service or by an enterprise which is a member of the same group as the originating legal person for at least three months immediately preceding the date of submission of an application for entry and they should possess at least 3 years of relevant professional experience, where applicable, obtained after the age of majority.

FI: Depending on the activity, a residence permit may be required.

SE: Work permit required, except for (i) natural persons who participate in training, testing, preparation or completion of deliveries, or similar activities within the framework of a business transaction, or (ii) fitters or technical instructors in connection with urgent installation or repair of machinery for up to two months, in the context of an emergency. No economic needs test required.

Commercial transactions

AT, CY: Work permit, including economic needs test, required for activities beyond seven days in a month or 30 days in a calendar year.

FI: The natural person needs to be supplying services as an employee of a legal person of the other Party.

Tourism personnel

CY, ES, PL: Unbound.

FI: The natural person needs to be supplying services as an employee of a legal person of the other Party.

SE: Work permit required, except for drivers and staff of tourist buses. No economic needs test required.

Translation and interpretation

AT: Work permit required, including economic needs test.

CY, PL: Unbound.

7. The United Kingdom's non-conforming measures are:

Business visitors for establishment purposes

All sectors

Business visitor for establishment purposes needs to work for an enterprise other than a non-profit organisation, otherwise: Unbound.

Intra-corporate transferees

All sectors

Intra-corporate transferees need to be employed by an enterprise other than a non-profit organisation, otherwise: Unbound.

Until 31 December 2022 any charge, fee or tax imposed by a Party (other than fees associated with the processing of a visa, work permit, or residency permit application or renewal) on the grounds of being allowed to perform an activity or to hire a person who can perform such activity in the territory of a Party, unless it is a requirement consistent with Article 140(3) of this Agreement, or a health fee under national legislation in connection with an application for a permit to enter, stay, work, or reside in the territory of a Party.

Short-term business visitors

All activities referred to in paragraph 8:

None

8. The activities Short-term business visitors are permitted to engage in are:

(a) meetings and consultations: natural persons attending meetings or conferences, or engaged in consultations with business associates;

(b) research and design: technical, scientific and statistical researchers conducting independent research or research for a legal person of the Party of which the Short-term business visitor is a natural person;

(c) marketing research: market researchers and analysts conducting research or analysis for a legal person of the Party of which the Short-term business visitor is a natural person;

(d) training seminars: personnel of an enterprise who enter the territory being visited by the Short-term business visitor to receive training in techniques and work practices which are utilised by companies or organisations in the territory being visited by the Short-term business visitor, provided that the training received is confined to observation, familiarisation and classroom instruction only;

(e) trade fairs and exhibitions: personnel attending a trade fair for the purpose of promoting their company or its products or services;

(f) sales: representatives of a supplier of services or goods taking orders or negotiating the sale of services or goods or entering into agreements to sell services or goods for that supplier, but not delivering goods or supplying services themselves. Short-term business visitors shall not engage in making direct sales to the general public;

(g) purchasing: buyers purchasing goods or services for an enterprise, or management and supervisory personnel, engaging in a commercial transaction carried out in the territory of the Party of which the Short-term business visitor is a natural person;

(h) after-sales or after-lease service: installers, repair and maintenance personnel and supervisors, possessing specialised knowledge essential to a seller's contractual obligation, supplying services or training workers to supply services pursuant to a warranty or other service contract incidental to the sale or lease of commercial or industrial equipment or machinery,

including computer software, purchased or leased from a legal person of the Party of which the Short-term business visitor is a natural person throughout the duration of the warranty or service contract;

(i) commercial transactions: management and supervisory personnel and financial services personnel (including insurers, bankers and investment brokers) engaging in a commercial transaction for a legal person of the Party of which the Short-term business visitor is a natural person;

(j) tourism personnel: tour and travel agents, tour guides or tour operators attending or participating in conventions or accompanying a tour that has begun in the territory of the Party of which the Short-term business visitor is a natural person; and

(k) translation and interpretation: translators or interpreters supplying services as employees of a legal person of the Party of which the Short-term business visitor is a natural person.

## **ANNEX 48. RULES OF PROCEDURE FOR DISPUTE SETTLEMENT**

### I. Definitions

1. For the purposes of Title I of Part Six of this Agreement and of these Rules of Procedure, the following definitions apply:

(a) "administrative staff", in respect of an arbitrator, means individuals under the direction and control of an arbitrator, other than assistants;

(b) "adviser" means an individual retained by a Party to advise or assist that Party in connection with the arbitration proceedings;

(c) "arbitration tribunal" means a tribunal established under Article 740 of this Agreement;

(d) "arbitrator" means a member of the arbitration tribunal;

(e) "assistant" means an individual who, under the terms of appointment and under the direction and control of an arbitrator, conducts research or provides assistance to that arbitrator;

(f) "complaining Party" means any Party that requests the establishment of an arbitration tribunal under Article 739 of this Agreement;

(g) "registry" means an external body with relevant expertise appointed by the Parties to provide administrative support for the proceedings;

(h) "respondent Party" means the Party that is alleged to be in violation of the covered provisions; and

(i) "representative of a Party" means an employee or any individual appointed by a government department, agency or any other public entity of a Party who represents the Party for the purposes of a dispute under this Agreement or any supplementing agreement.

### II. Notifications

2. Any request, notice, written submission or other document of:

(a) the arbitration tribunal shall be sent to both Parties at the same time;

(b) a Party, which is addressed to the arbitration tribunal, shall be copied to the other Party at the same time; and

(c) a Party, which is addressed to the other Party, shall be copied to the arbitration tribunal at the same time, as appropriate.

3. Any notification referred to in rule 2 shall be made by e-mail or, where appropriate, any other means of telecommunication that provides a record of the sending thereof. Unless proven otherwise, such notification shall be deemed to be delivered on the date of its sending.

4. All notifications shall be addressed to the Legal Service of the European Commission and to the Legal Adviser of the Foreign, Commonwealth & Development Office of the United Kingdom, respectively.

5. Minor errors of a clerical nature in a request, notice, written submission or other document related to the arbitration tribunal proceedings may be corrected by delivery of a new document clearly indicating the changes.

6. If the last day for delivery of a document falls on a non-working day of the institutions of the Union or of the government

of the United Kingdom, the time period for the delivery of the document shall end on the first following working day.

### III. Appointment of arbitrators

7. If pursuant to Article 740 of this Agreement, an arbitrator is selected by lot, the co-chair of the Partnership Council of the complaining Party shall promptly inform the co-chair of the respondent Party of the date, time and venue of the lot. The respondent Party may, if it so chooses, be present during the lot. In any event, the lot shall be carried out with the Party or Parties that are present.

8. The co-chair of the complaining Party shall notify, in writing, each individual who has been selected to serve as an arbitrator of his or her appointment. Each individual shall confirm his or her availability to both Parties within five days from the date on which he or she was informed of his or her appointment.

9. The co-chair of the Partnership Council of the complaining Party shall select by lot the arbitrator or chairperson, within five days from the expiry of the time period referred to in Article 740(2) of this Agreement, if any of the sub-lists referred in Article 752(1) of this Agreement:

(a) is not established, amongst those individuals who have been formally proposed by one or both Parties for the establishment of that particular sub-list; or

(b) no longer contains at least five individuals, amongst those individuals who remain on that particular sub-list.

10. The Parties may appoint a registry to assist in the organisation and conduct of specific dispute settlement proceedings on the basis of ad-hoc arrangements or on the basis of arrangements adopted by the Partnership Council pursuant to Article 759 of this Agreement. To that end, the Partnership Council shall consider no later than 180 days after the entry into force of this Agreement whether there are any necessary amendments to these Rules of Procedure.

### IV. Organisational Meeting

11. Unless the Parties agree otherwise, they shall meet the arbitration tribunal within seven days of its establishment in order to determine such matters that the Parties or the arbitration tribunal deem to be appropriate, including:

(a) if not determined earlier, the remuneration and expenses to be paid to the arbitrators, which shall in any case be in accordance with WTO standards;

(b) the remuneration to be paid to assistants; the total amount of the remuneration of an assistant or assistants of each arbitrator shall not exceed 50 % of the remuneration of that arbitrator;

(c) the timetable of the proceedings; and

(d) ad-hoc procedures to protect confidential information.

Arbitrators and representatives of the Parties may take part in this meeting via telephone or video conference.

### V. Written Submissions

12. The complaining Party shall deliver its written submission no later than 20 days after the date of establishment of the arbitration tribunal. The respondent Party shall deliver its written submission no later than 20 days after the date of delivery of the written submission of the complaining Party.

### VI. Operation of the arbitration tribunal

13. The chairperson of the arbitration tribunal shall preside at all its meetings. The arbitration tribunal may delegate to the chairperson the authority to make administrative and procedural decisions.

14. Unless otherwise provided in Title I of Part Six of this Agreement or in these Rules of Procedure, the arbitration tribunal may conduct its activities by any means, including telephone, facsimile transmissions or computer links.

15. Only arbitrators may take part in the deliberations of the arbitration tribunal, but the arbitration tribunal may permit their assistants to be present at its deliberations.

16. The drafting of any ruling, decision and report shall remain the exclusive responsibility of the arbitration tribunal and shall not be delegated.

17. Where a procedural question arises that is not covered by Title I of Part Six of this Agreement and its Annexes, the arbitration tribunal, after consulting the Parties, may adopt an appropriate procedure that is compatible with those

provisions.

18. When the arbitration tribunal considers that there is a need to modify any of the time periods for the proceedings other than the time periods set out in Title I of Part Six of this Agreement or to make any other procedural or administrative adjustment, it shall inform the Parties, in writing and after consultation of the Parties, of the reasons for the change or adjustment and of the time period or adjustment needed.

#### VII. Replacement

19. When a Party considers that an arbitrator does not comply with the requirements of Annex 49 and for that reason should be replaced, that Party shall notify the other Party within 15 days from when it obtained sufficient evidence of the arbitrator's alleged failure to comply with the requirements of that Annex.

20. The Parties shall consult within 15 days of the notification referred to in rule 19. They shall inform the arbitrator of his or her alleged failure and they may request the arbitrator to take steps to ameliorate the failure. They may also, if they so agree, remove the arbitrator and select a new arbitrator in accordance with Article 740 of this Agreement.

21. If the Parties fail to agree on the need to replace the arbitrator, other than the chairperson of the arbitration tribunal, either Party may request that this matter be referred to the chairperson of the arbitration tribunal, whose decision shall be final.

If the chairperson of the arbitration tribunal finds that the arbitrator does not comply with the requirements of Annex 49, the new arbitrator shall be selected in accordance with Article 740 of this Agreement.

22. If the Parties fail to agree on the need to replace the chairperson, either Party may request that this matter be referred to one of the remaining members of the pool of individuals from the sub-list of chairpersons established under Article 752 of this Agreement. His or her name shall be drawn by lot by the co-chair of the Partnership Council from the requesting Party, or the chair's delegate. The decision by the selected person on the need to replace the chairperson shall be final.

If this person finds that the chairperson does not comply with the requirements of Annex 49, the new chairperson shall be selected in accordance with Article 740 of this Agreement.

#### VIII. Hearings

23. On the basis of the timetable determined pursuant to rule 11, after consulting with the Parties and the other arbitrators, the chairperson of the arbitration tribunal shall notify the Parties of the date, time and venue of the hearing. That information shall be made publicly available by the Party in which the hearing takes place, unless the hearing is closed to the public.

24. Unless the Parties agree otherwise, the hearing shall be held in London if the complaining Party is the Union and in Brussels if the complaining Party is the United Kingdom. The respondent Party shall bear the expenses derived from the logistical administration of the hearing.

25. The arbitration tribunal may convene additional hearings if the Parties so agree.

26. All arbitrators shall be present during the entirety of the hearing.

27. Unless the Parties agree otherwise, the following persons may attend the hearing, irrespective of whether the hearing is open to the public or not:

(a) representatives of a Party;

(b) advisers;

(c) assistants and administrative staff;

(d) interpreters, translators and court reporters of the arbitration tribunal; and

(e) experts, as decided by the arbitration tribunal pursuant to Article 751(2) of this Agreement.

28. No later than five days before the date of a hearing, each Party shall deliver to the arbitration tribunal and to the other Party a list of the names of persons who will make oral arguments or presentations at the hearing on behalf of that Party and of other representatives and advisers who will be attending the hearing.

29. The arbitration tribunal shall conduct the hearing in the following manner, ensuring that the complaining Party and the respondent Party are afforded equal time in both argument and rebuttal argument:

## Argument

(a) argument of the complaining Party;

(b) argument of the respondent Party.

## Rebuttal Argument

(a) reply of the complaining Party;

(b) counter-reply of the respondent Party.

30. The arbitration tribunal may direct questions to either Party at any time during the hearing.

31. The arbitration tribunal shall arrange for a transcript of the hearing to be prepared and delivered to the Parties as soon as possible after the hearing. The Parties may comment on the transcript and the arbitration tribunal may consider those comments.

32. Each Party may deliver a supplementary written submission concerning any matter that arises during the hearing within 10 days after the date of the hearing.

## IX. Questions in Writing

33. The arbitration tribunal may at any time during the proceedings submit questions in writing to one or both Parties. Any questions submitted to one Party shall be copied to the other Party.

34. Each Party shall provide the other Party with a copy of its responses to the questions submitted by the arbitration tribunal. The other Party shall have an opportunity to provide comments in writing on the Party's responses within five days after the delivery of such copy.

## X. Confidentiality

35. Each Party and the arbitration tribunal shall treat as confidential any information submitted by the other Party to the arbitration tribunal that the other Party has designated as confidential. When a Party submits to the arbitration tribunal a written submission which contains confidential information, it shall also provide, within 15 days, a submission without the confidential information which shall be disclosed to the public.

36. Nothing in these Rules of Procedure shall preclude a Party from disclosing statements of its own positions to the public to the extent that, when making reference to information submitted by the other Party, it does not disclose any information designated by the other Party as confidential.

37. The arbitration tribunal shall hold the relevant parts of the session in private when the submission and arguments of a Party contains confidential information. The Parties shall maintain the confidentiality of the arbitration tribunal hearings when the hearings are held in closed session.

## XI. Ex parte contacts

38. The arbitration tribunal shall not meet or communicate with a Party in the absence of the other Party.

39. An arbitrator shall not discuss any aspect of the subject matter of the proceedings with a Party or both Parties in the absence of the other arbitrators.

## XII. Amicus curiae submissions

40. Unless the Parties agree otherwise within five days of the date of the establishment of the arbitration tribunal, the arbitration tribunal may receive unsolicited written submissions from natural persons of a Party or legal persons established in the territory of a Party that are independent from the governments of the Parties, provided that they:

(a) are received by the arbitration tribunal within 10 days of the date of the establishment of the arbitration tribunal;

(b) are concise and in no case longer than 15 pages, including any annexes, typed at double space;

(c) are directly relevant to a factual or a legal issue under consideration by the arbitration tribunal;

(d) contain a description of the person making the submission, including for a natural person his or her nationality and for a legal person its place of establishment, the nature of its activities, its legal status, general objectives and its source of financing;

(e) specify the nature of the interest that the person has in the arbitration proceedings; and

(f) are drafted in English.

41. The submissions shall be delivered to the Parties for their comments. The Parties may submit comments, within 10 days of the delivery, to the arbitration tribunal.

42. The arbitration tribunal shall list in its report all the submissions it has received pursuant to rule 40. The arbitration tribunal shall not be obliged to address in its report the arguments made in such submissions, however, if it does, it shall also take into account any comments made by the Parties pursuant to rule 41.

### XIII. Urgent cases

43. In cases of urgency referred to in Article 744 of this Agreement, the arbitration tribunal, after consulting the Parties, shall adjust, as appropriate, the time periods referred to in these Rules of Procedure. The arbitration tribunal shall notify the Parties of such adjustments.

### XIV. Translation and interpretation

44. The language of proceedings before the arbitration tribunal shall be English. Rulings, reports and decisions of the arbitration tribunal shall be issued in English.

45. Each party shall bear its own costs of the translation of any documents submitted to the arbitration tribunal which are not originally drafted in English, as well as any costs relating to interpretation during the hearing related to its representatives or advisers.

### XV. Other Procedures

46. The time periods laid down in these Rules of Procedure shall be adjusted in accordance with the special time periods provided for the adoption of a report or decision by the arbitration tribunal in the proceedings provided for in Articles 747 to 750 of this Agreement.

## **ANNEX 49. CODE OF CONDUCT FOR ARBITRATORS**

### I. Definitions

1. For the purposes of this Code of Conduct, the following definitions apply:

(a) "administrative staff" means, in respect of an arbitrator, individuals under the direction and control of an arbitrator, other than assistants;

(b) "arbitrator" means a member of an arbitration tribunal;

(c) "assistant" means an individual who, under the terms of appointment of an arbitrator, conducts research or provides assistance to that arbitrator; and

(d) "candidate" means an individual whose name is on a list of arbitrators referred to in Article 752 of this Agreement or who is under consideration for selection as an arbitrator under Article 740 of this Agreement.

### II. Governing Principles

2. In order to preserve the integrity and impartiality of the dispute settlement mechanism, each candidate and arbitrator shall:

(a) get acquainted with this Code of Conduct;

(b) be independent and impartial;

(c) avoid direct or indirect conflicts of interest;

(d) avoid impropriety and the appearance of impropriety or bias;

(e) observe high standards of conduct; and

(f) not be influenced by self-interest, outside pressure, political considerations, public clamour, and loyalty to a Party or fear of criticism.

3. An arbitrator shall not, directly or indirectly, incur any obligation or accept any benefit that would in any way interfere, or appear to interfere, with the proper performance of his or her duties.

4. An arbitrator shall not use his or her position on the arbitration tribunal to advance any personal or private interests. An arbitrator shall avoid actions that may create the impression that others are in a special position to influence him or her.

5. An arbitrator shall not allow past or existing financial, business, professional, personal, or social relationships or responsibilities to influence his or her conduct or judgement.

6. An arbitrator shall avoid entering into any relationship or acquiring any financial interest that is likely to affect his or her impartiality or that might reasonably create an appearance of impropriety or bias.

### III. Disclosure obligations

7. Prior to the acceptance of his or her appointment as an arbitrator under Article 740 of this Agreement, a candidate requested to serve as an arbitrator shall disclose any interest, relationship or matter that is likely to affect his or her independence or impartiality or that might reasonably create an appearance of impropriety or bias in the proceedings. To that end, a candidate shall make all reasonable efforts to become aware of any such interests, relationships and matters, including financial interests, professional interests, or employment or family interests.

8. The disclosure obligation under paragraph 7 is a continuing duty which requires an arbitrator to disclose any such interests, relationships or matters that may arise during any stage of the proceedings.

9. A candidate or an arbitrator shall communicate to the Partnership Council for consideration by the Parties any matters concerning actual or potential violations of this Code of Conduct at the earliest time he or she becomes aware of them.

### IV. Duties of Arbitrators

10. Upon acceptance of his or her appointment, an arbitrator shall be available to perform and shall perform his or her duties thoroughly and expeditiously throughout the proceedings, and with fairness and diligence.

11. An arbitrator shall consider only the issues raised in the proceedings and which are necessary for a decision and shall not delegate that duty to any other person.

12. An arbitrator shall take all appropriate steps to ensure that his or her assistants and administrative staff are aware of, and comply with, the obligations incurred by arbitrators under Parts II, III, IV and VI of this Code of Conduct.

### V. Obligations of Former Arbitrators

13. Each former arbitrator shall avoid actions that may create the appearance that he or she was biased in carrying out the duties or derived advantage from the decision of the arbitration tribunal.

14. Each former arbitrator shall comply with the obligations in Part VI of this Code of Conduct.

### VI. Confidentiality

15. An arbitrator shall not, at any time, disclose any non-public information concerning the proceedings or acquired during the proceedings for which he or she has been appointed. An arbitrator shall not, in any case, disclose or use such information to gain personal advantage or advantage for others or to adversely affect the interests of others.

16. An arbitrator shall not disclose a decision of the arbitration tribunal or parts thereof prior to its publication in accordance with Title I of Part Six of this Agreement.

17. An arbitrator shall not, at any time, disclose the deliberations of an arbitration tribunal, or any arbitrator's view, nor make any statements on the proceedings for which he or she has been appointed or on the issues in dispute in the proceedings.

### VII. Expenses

18. Each arbitrator shall keep a record and render a final account of the time devoted to the proceedings and of his or her expenses, as well as the time and expenses of his or her assistants and administrative staff.

State of the EEA and having their registered office, central administration or principal place of business therein may be authorised, under certain conditions.

Measures:



AT: Tierarategesetz (Veterinary Act), BGBl Nr. 16/1975, Â§3 (2) (3).

ES: Real Decreto 126/2013, de 22 de febrero, por el que se aprueban los Estatutos Generales de la Organizaci3n Colegial Veterinaria Espaola; Articles 62 and 64.

FR: Code rural et de la p4che maritime.

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With respect to Investment liberalisation 2 Market access, National treatment and Cross-border trade in services 2 National treatment, Local presence:

In CY: Nationality and residency condition applies for the provision of veterinary services.

In EL: EEA or Swiss nationality is required for the supply of veterinary services.

In HR: Only legal and natural persons established in a Member State for the purpose of conducting veterinary activities can supply cross border veterinary services in the Republic of Croatia. Only Union national can establish a veterinary practice in the Republic of Croatia.

In HU: EEA nationality is required for membership of the Hungarian Veterinary Chamber, necessary for supplying veterinary services. Authorisation for establishment is subject to an economic needs test. Main criteria: labour market conditions in the sector.

Measures:

CY: Law 169/1990 as amended.

EL: Presidential Degree 38/2010, Ministerial Decision 165261/IA/2010 (Gov. Gazette 2157/B).

HR: Veterinary Act (OG 83/13, 148/13, 115/18), Articles 3 (67), Articles 105 and 121.

HU: Act CXXVII of 2012 on the Hungarian Veterinary Chamber and on the conditions how to supply Veterinary services.

L 149/1276 Official Journal of the European Union 30.4,2021

With respect to Cross-border trade in services 2 Local presence:

In CZ: Physical presence in the territory is required for the supply of veterinary services.

In IT and PT: Residency is required for the supply of veterinary services.

In PL: Physical presence in the territory is required for the supply of veterinary services to pursue the profession of veterinary surgeon present in the territory of Poland, non- European Union nationals have to pass an exam in Polish language organized by the Polish Chambers of Veterinary

Surgeons,

In SI: Only legal and natural persons established in a Member State for the purpose of conducting veterinary activities can supply cross border veterinary services in to the Republic of Slovenia.

With respect to Investment liberalisation 2 Market access, and Cross-border trade in services 2

Market access:

In SK: Residency in the EEA \*s required for registration in the professional chamber, which is necessary for the exercise of the profession. The provision of veterinary services 8 restricted to

natural persons.

Measures:

CZ: Act No. 166/1999 Coll. (Veterinary Act), Â§58-63, 39; and Act No. 381/1991 Coll. (on the Chamber of Veterinary Surgeons of the Czech Republic),

paragraph 4,

30.4.2021 Official Journal of the European Union L 149/1277

IT: Legislative Decree C.P.S. 233/1946, Articles 7-9; and Decree of the President of the Republic (DPR) 221/1950, paragraph 7.

PL: Law of 21st December 1990 on the Profession of Veterinary Surgeon and Chambers of Veterinary Surgeons.

PT: Decree-Law 368/91 (Statute of the Veterinary Professional Association) alterado p/ Lei 125/2015, 3 set.

SI Pravilnik o primavanju poklicnih kvalifikacij veterinarjev (Rules on recognition of professional qualifications for veterinarians), Uradni list RS, St. (Official Gazette No) 71/2008, 7/2011, 59/2014 in 21/2016, Act on services in the internal market, Official Gazette RS No 21/2010.

SK: Act 442/2004 on Private Veterinary Doctors and the Chamber of Veterinary Doctors, Article 2.

With respect to Investment liberalisation â Market access and Cross-border trade in services â Market access:

In DE (applies also to the regional level of government): The supply of veterinary services is restricted to natural persons. Telemedicine may only be provided in the context of a primary treatment involving the prior physical presence of a veterinary.

In DK and NL: The supply of veterinary services is restricted to natural persons.

In IE: The supply of veterinary services is restricted to natural persons or partnerships.

L 149/1278 Official Journal of the European Union 30.4.2021

In LV: The supply of veterinary services is restricted to natural persons.

Measures:

DE: Bundes-Tierirzteordnung (BTAO; Federal Code for the Veterinary Profession).

Regional level:

Acts on the Council for the Medical Profession of the Lander (Heilberufs- und Kammergesetze der Lander) and (based on these)

Baden-Württemberg, Gesetz über das Berufsrecht und die Kammern der Ärzte, Zahnärzte, Tierärzte Apotheker, Psychologischen Psychotherapeuten sowie der Kinder- und Jugendlichenpsychotherapeuten (Heilberufe-Kammergesetz - HBKG);

Bayern, Gesetz über die Berufsausübung, die Berufsvertretungen und die Berufsgeschlossenheit der Ärzte, Zahnärzte, Tierärzte, Apotheker sowie der Psychologischen Psychotherapeuten und der Kinder- und Jugendlichenpsychotherapeuten (Heilberufe-Kammergesetz - HKaG);

Berliner Heilberufekammergesetz (BlHKG);

Brandenburg, Heilberufsgesetz (HeilBerG);

Bremen, Gesetz über die Berufsvertretung, die Berufsausübung, die Weiterbildung und die Berufsgeschlossenheit der Ärzte, Zahnärzte, Psychotherapeuten, Tierärzte und Apotheker (Heilberufsgesetz - HeilBerG);

Hamburg, Hamburgisches Kammergesetz für die Heilberufe (HmbK GH);

Hessen, Gesetz über die Berufsvertretungen, die Berufsausübung, die Weiterbildung und die Berufsgeschlossenheit der Ärzte, Zahnärzte, Tierärzte, Apotheker, Psychologischen Psychotherapeuten und Kinder- und Jugendlichenpsychotherapeuten (Heilberufsgesetz); Mecklenburg-Vorpommern, Heilberufsgesetz (HeilBerG);

Niedersachsen, Kammergesetz für die Heilberufe (HKG);

Nordrhein- Westfalen, Heilberufsgesetz. NRW (HeilBerG);

Rheinland-Pfalz, Heilberufsgesetz (HeilBG);

Saarland, Gesetz Nr. 1405 über die öffentliche Berufsvertretung, die Berufspflichten, die Weiterbildung und die Berufsgeschlossenheit der Ärzte/Ärztinnen, Zahnärzte/Zahnärztinnen,

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Tierärztinnen und Apotheker/Apothekerinnen im Saarland (Saarländisches Heilberufekammergesetz - SHKG);

Sachsen, Gesetz über Berufsausübung, Berufsvertretungen und Berufgerichtsbarkeit der Ärzte, Zahnärzte, Tierärzte, Apotheker sowie der Psychologischen Psychotherapeuten und der Kinder- und Jugendlichenpsychotherapeuten im Freistaat Sachsen (Sächsisches Heilberufekammergesetz - SächsHKaG);

Sachsen-Anhalt, Gesetz über die Kammern für Heilberufe Sachsen-Anhalt (KGHB-LSA); Schleswig-Holstein, Gesetz über die Kammern und die Berufgerichtsbarkeit für die Heilberufe (Heilberufekammergesetz - HBKG);

Thüringen, Thüringer Heilberufegesetz (ThürHeilBG); and

Berufsordnungen der Kammer (Codes of Professional Conduct of the Veterinary Practitioners' Councils).

DK: Lovbekendtgørelse nr. 40 af lov om dyrkeger af 15. januar 2020 (Consolidated act no. 40 of January 15th, 2020, on veterinary surgeons).

IE: Veterinary Practice Act 2005.

LV: Veterinary Medicine Law.

NL: Wet op de uitoefening van de diergeneeskunde 1990 (WUD).

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(c) Retail sales of pharmaceuticals, medical and orthopaedic goods and other services provided by pharmacists (CPC 63211)

With respect to Investment liberalisation - Market access, National treatment, Senior management and boards of directors:

In AT: The retail of pharmaceuticals and specific medical goods to the public may only be carried out through a pharmacy. Nationality of a Member State of the EEA or the Swiss Confederation is required in order to operate a pharmacy. Nationality of a Member State of the EEA or the Swiss Confederation is required for leaseholders and persons in charge of managing a pharmacy.

Measures:

AT: Apothekengesetz (Pharmacy Law), RGL Nr. 5/1907 as amended, §§ 3, 4, 12; Arzneimittelgesetz (Medication Act), BGL Nr. 185/1983 as amended, §§ 57, 59, 59a; and Medizinproduktegesetz (Medical Products Law), BGL Nr. 657/1996 as amended, § 99.

With respect to Investment liberalisation - Market Access, National Treatment:

In DE: Only natural persons (pharmacists) are permitted to operate a pharmacy. Nationals of other countries or persons who have not passed the German pharmacy exam may only obtain a licence to take over a pharmacy which has already existed during the preceding three years. The total number of pharmacies per person is restricted to one pharmacy and up to three branch pharmacies.

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In FR: EEA or Swiss nationality is required in order to operate a pharmacy.

Foreign pharmacists may be permitted to establish within annually established quotas. Pharmacy opening must be authorised and commercial presence including sale at a distance of medicinal products to the public by means of information society services, must take one of the legal forms which are allowed under national law on a non-discriminatory basis: société d'exercice libéral (SEL) anonyme, par actions simplifiée, à responsabilité limitée unipersonnelle or pluripersonnelle, en commandite par actions, société en noms collectifs (SNC) or société à responsabilité limitée unipersonnelle or pluripersonnelle only.

Measures:

DE: Gesetz über das Apothekenwesen (ApoG; German Pharmacy Act);

Gesetz über den Verkehr mit Arzneimitteln (AMG);

Gesetz über Medizinprodukte (MPG);

Verordnung zur Regelung der Abgabe von Medizinprodukten (MPAV)

FR: Code de la santé publique; and

Loi 90-1258 du 31 décembre 1990 relative à l'exercice sous forme de sociétés des professions libérales and Loi 2015-990 du 6 août 2015.

With respect to Investment liberalisation à National Treatment:

In EL: European Union nationality is required in order to operate a pharmacy.

In HU: EEA nationality is required in order to operate a pharmacy.

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In LV: In order to commence independent practice in a pharmacy, a foreign pharmacist or pharmacist's assistant, educated in a state which is not a Member State or a Member State of the EEA, must work for at least one year in a pharmacy in a Member State of the EEA under the

supervision of a pharmacist.

Measures:

EL: Law 5607/1932 as amended by Laws 1963/1991 and 3918/2011.

HU: Act XCVII of 2006 on the General Provisions Relating to the Reliable and Economically Feasible Supply of Medicinal Products and Medical Aids and on the Distribution of Medicinal Products.

LV: Pharmaceutical Law, s. 38.

With respect to Investment liberalisation à Market access:

In BG: Managers of pharmacies must be qualified pharmacists and may only manage one pharmacy in which they themselves work. A quota (not more than 4) exists for the number of pharmacies which may be owned per person in the Republic of Bulgaria.

In DK: Only natural persons, who have been granted a pharmacist licence from the Danish Health

and Medicines Authority, are permitted to provide retail services of pharmaceuticals and specific medical goods to the public.

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In ES, HR, HU, and PT: Establishment authorisation is subject to an economic needs test. Main criteria: population and density conditions in the area.

In IE: The sale of pharmaceuticals is prohibited, with the exception of non-prescription medicines,

In MT: Issuance of Pharmacy licences under specific restrictions. No person shall have more than one licence in his name in any town or village (Regulation 5(1) of the Pharmacy Licence Regulations (LN279/07)), except in the case where there are no further applications for that town or village (Regulation 5(2) of the Pharmacy Licence Regulations (LN279/07)).

In PT: In commercial companies where the capital is represented by shares, these shall be

nominal. A person shall not hold or exercise, at the same time, directly or indirectly, ownership, operation or management of more than four pharmacies,

In SI: The network of pharmacies in Slovenia consists of public pharmacy institutions, owned by municipalities, and of private pharmacists with concession where the majority owner must be a pharmacist by profession. Mail order of pharmaceuticals requiring a prescription is prohibited. Mail order of non-prescription medicines requires special state permission.

Measures:

BG: Law on Medicinal Products in Human Medicine, arts. 222, 224, 228.

DK: Apotekerloven (Danish Pharmacy Act) LBK nr. 801 12/06/2018.

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ES: Ley 16/1997, de 25 de abril, de regulación de servicios de las oficinas de farmacia (Law 16/1997, of 25 April, regulating

services in pharmacies), Articles 2, 3.1; and

Real Decreto Legislativo 1/2015, de 24 de julio por el que se aprueba el Texto refundido de la Ley de garantías y uso racional de los medicamentos y productos sanitarios (Ley 29/2006).

HR: Health Care Act (OG 100/18, 125/19).

HU: Act XCVII of 2006 on the General Provisions Relating to the Reliable and Economically Feasible Supply of Medicinal Products and Medical Aids and on the Distribution of Medicinal Products.

IE: Irish Medicines Boards Acts 1995 and 2006 (No. 29 of 1995 and No. 3 of 2006); Medicinal Products (Prescription and Control of Supply) Regulations 2003, as amended (S.I. 540 of 2003); Medicinal Products (Control of Placing on the Market) Regulations 2007, as amended (S.I. 540 of 2007); Pharmacy Act 2007 (No. 20 of 2007); Regulation of Retail Pharmacy Businesses Regulations 2008, as amended, (S.I. No 488 of 2008).

MT: Pharmacy Licence Regulations (LN279/07) issued under the Medicines Act (Cap. 458).

PT: Decree-Law 307/2007, Articles 9, 14 and 15 Alterado p/ Lei 26/2011, 16 jun. alterada:

âp/ AcÃ©rdiÃ©o TC 612/2011, 24/01/2012,