





What has changed by 1 January 2021

Impact on the four EU fundamental freedoms for the United Kingdom (UK)

Labour



Citizens of both jurisdictions (EU/UK) will lose, among other things, the right to work or set up a business in the other jurisdiction without a permit. In future, a visa will be required for longer stays.

Goods



All exports will be subject to customs controls in the future. For some items (e.g. agricultural products, pharmaceuticals), special certificates must be presented and longer transit times at the borders must be expected.

Services



The country-of-origin principle no longer applies to service providers. They would have to comply with the regulations of the member states or move their registered office to the EU. There is no longer mutual recognition of professional qualifications.

Capital



UK-based financial service providers lose their "passporting rights". The EU must first recognise the regulatory framework as equivalent in up to 40 financial areas before UK financial institutions can serve their EU clients again.

With the UK's withdrawal. the fundamental four freedoms of the EU cease to apply.

The EU and the UK will henceforth be two separate legal and regulatory entities.

The Trade and Cooperation Agreement is designed to avoid the "hard "Brexit.



Trade and Cooperation Agreement - key points

Trade, Economy, Social Affairs, Environment & Fisheries

Security of the citizens

Possible unilateral EU measures

Free, fair and sustainable trade

- Trade in goods, including customs and regulatory cooperation
- Services & Investment
- E-commerce, intellectual property & public procurement
- Fair competition & sustainability with regulations

Transport accessibility, sustainability and opportunities

- Transport
- Energy: incl. introduction of an EU-equivalent CO₂ tax!
- Fisheries & natural resources
- Coordination of social security
- Union programmes
- Thematic cooperation

- Law enforcement & judicial cooperation in criminal matters
- Protection of fundamental rights & personal data
- Data exchange
- Combating money laundering

Non-negotiable:

- The adopted adequacy decision on data protection
- Application of the UK sanitary & phytosanitary status to third country lists
- The equivalence of financial services

New governance framework for EU-UK long-term cooperation

- Common values & essential elements
- Partnership Council
- Dispute resolution, enforcement & sanction mechanisms
- Frequent monitoring



Most important aspects (1/3)

- ✓ Little change / Remains the same compared to EU membership.
- Worse, but regulated by EU-UK trade agreement
- X Aggravation compared to EU membership (no regulation)

Services

- The free movement of services will cease from 1 January 2021.
- Service providers must comply with the regulations of the states.
- Various prohibitions, restrictions and obligations on national treatment and most-favoured-nation treatment as well as sector-specific issues are regulated in the UK-EU Agreement.

Longer stay for business purposes

- Contracted service providers ("mode 4"). Requirements:
 - at least one year working in their field of business as well as
 - at least three years of professional experience,
- may stay in the territory of the other contracting party for a maximum of twelve months (cumulative).
- Exceptions exist

Intra-corporate transfers

- Requirements:
 - at least one year in the company (managers and specialists), or
 - six months (for "trainee employees") in the company.
 - Deployment generally limited to a maximum of three years, for "trainee employees" to a maximum of one year.
 - No stay in the respective other territory









Most important aspects (2/3)

- ✓ Little change / Remains the same compared to EU membership.
- Worse, but regulated by EU-UK trade agreement
- X Aggravation compared to EU membership (no regulation)

Short-term business trips

- It is permitted to stay for up to 90 days within a six-month period.
- The sale of goods or services to the general public is not permitted.
- Permission is granted, among other things, to attend meetings, trade fairs, training courses or to travel for contract negotiations and customer services.

Visa-free travel

- Still guaranteed by the Trade and Cooperation Agreement (in principle 90 days within 180 days).
- Should the UK end the visa-free regime for a Member State, the EU will take measures that can subsequently end the visa-free regime for British citizens to the EU.

Coordination of the social systems

- Regulated by the Protocol on the Coordination of Social Security Systems. Important points:
 - Scope
 - Coordination rules
 - Applicable law
 - Assignments
 - Multi-state employment
 - Certificates
 - Expiry date ("sunset clause")
 - Fees









Most important aspects (3/3)

- ✓ Little change / Remains the same compared to EU membership.
- Worse, but regulated by EU-UK trade agreement
- X Aggravation compared to EU membership (no regulation)

Recognition of qualifications

- The Trade and Cooperation Agreement does not contain any provisions on the recognition of qualifications.
- The contracting parties are free to decide on the need for professional qualifications for certain activities
- Authorities may submit recommendations on the recognition of qualifications

Level playing field

- The agreement calls for the guaranteed level not to be lowered below the level foreseen in the common standards applicable at the end of the transition period.
- This also includes the introduction of an EU-equivalent CO₂ tax!

Customs agreements and cumulation

- Great Britain (excluding Northern Ireland):
 - Intra-Community deliveries become exports and imports.
 - Customs clearances are incurred.
- Trade in goods with Northern Ireland:
 - Remain deliveries (no customs declarations required).
- The UK government provides the Border Operating Model as a basis.









Where can I find the documents?

The complete trade agreement as well as references to the 50 most important questions and answers (Q&A) can be found via the link.





Another good overview of the changes in detail can be found <u>here</u>.



Check the <u>EU web</u>
<u>page</u> for the
announcements for
your industry, study
the <u>checklist</u> and
use the <u>online test</u>
provided by the
British Government.