



## **BPIF Summary of Technical Notice published by the Department for International Trade, Department for International Development and Foreign & Commonwealth Office**

### **Existing free trade agreements if there's no Brexit deal**

The Government's Technical Notice informs businesses about the government's plans to ensure continuity for the UK's existing trade agreements with partners outside the EU if there is no Brexit deal by the time the UK leaves the EU.

The Government states that they are committed to ensuring the benefits of existing free trade agreements are maintained as we leave the EU. They are currently working with partner countries to prepare for a range of possible scenarios to maintain existing trading relationships.

#### **Current situation**

As a member of the EU, the UK currently takes part in around 40 free trade agreements (of different types) with over 70 countries.

Under the terms of these agreements, the EU member states are eligible for a range of preferential market access opportunities. These can include:

- preferential duties for goods. This includes reductions in import tariff rates across a wide range of products, quotas for reduced or nil rates of payable duties, and quotas for more relaxed rules of origin requirements.
- enhanced market access for service providers.
- access to public procurement opportunities across a range of sectors.
- improved protections for intellectual property.

#### **After March 2019 if there's no-deal**

During any implementation period, arrangements would be put in place with partner countries so that the UK is treated as an EU member state for the purposes of international agreements, including trade agreements.

In the event of a 'no deal', there will be no implementation period. In this scenario, the government will seek to bring into force bilateral UK-third country agreements from exit day, or as soon as possible thereafter.

These new agreements will replicate existing EU agreements and the same preferential effects with third countries as far as possible.

Should arrangements to maintain particular preferences in a no deal scenario not be in place on exit day, trade would then take place on a 'Most-Favoured Nation' (MFN) basis, which is sometimes referred to as 'World Trade Organization (WTO) Terms', until such a new arrangement has been implemented.

## Impacts would include

- EU trade agreements will cease to apply to the UK when we leave the EU
  - The Government intends that new bilateral agreements will be identical to, or substantially the same as, the EU agreements they replace.
- Users of current EU free trade agreements should be aware that, in contrast to the current situation and during any Implementation Period, there may be practical changes to how they make use of preferences under these new agreements.
  - For example, UK and EU content will be considered distinct, and each new agreement will individually specify what origin designations may be used to qualify for preferences.
- Where arrangements to maintain particular preferences in a no-deal scenario are not in place by exit day, trade would take place on WTO terms. Under such terms, traders would pay the applied MFN tariff.

## More information

[Full Government Technical Notice](#)

BPIF Summaries of Technical Notices:

[Trading with the EU if there's no Brexit deal](#)

[Classifying your goods in the UK trade tariff if there's no Brexit deal](#)