



UK Mission
Geneva



EUROPEAN UNION
Permanent Mission
to the World Trade Organization

11 October 2017

Permanent Representatives to the
World Trade Organization

Dear Colleagues,

On 29 March 2017, the Government of the United Kingdom (UK) notified the UK's intention to withdraw from the European Union (EU) of which it currently is a Member State. Negotiations on the UK's withdrawal are on-going and it is anticipated that the UK will leave the EU at the end of March 2019. Until its withdrawal, the UK remains a Member State of the European Union with all the rights and obligations of a Member State including in respect of the EU's Common Commercial Policy.

The UK's withdrawal from the EU has implications beyond the EU and the UK's bilateral relationship. The EU and the UK acknowledge the need for clarity and predictability towards their trading partners in the multilateral trading system. The EU and the UK therefore wish to set out their intentions with regard to the implications of the UK withdrawal from the EU within the World Trade Organization (WTO). This is without prejudice to the future bilateral relationship between the EU and the UK, and to the position the EU and UK may take on other trade-related matters in the future.

Both the EU and the UK are original Members of the WTO pursuant to Article XI:1 of the Marrakech Agreement Establishing the WTO (WTO Agreement). When the European Communities accepted the WTO Agreement and the Multilateral Trade Agreements in 1994, the schedules of concessions and commitments and of specific commitments that were annexed to the General Agreement on Tariffs and Trade 1994 and the General Agreement on Trade in Services for the European Communities were thereby simultaneously annexed for the UK. The EU's schedules therefore contain commitments applicable also to the UK in its capacity as a WTO Member. As far as the EU is concerned, its scheduled commitments for goods, services and public procurement will remain applicable to its territory, but the EU's existing quantitative commitments in the area of goods will require certain adjustments to reflect the UK's withdrawal from the EU.

Following its withdrawal from the EU, the UK will remain a Member of the WTO, subject to all the rights and obligations that this entails. It will have its own separate schedules of commitments for goods and services, to take effect immediately upon leaving the EU. In communicating its own separate schedules before it leaves the EU in March 2019, the UK intends to replicate as far as possible its obligations under the current commitments of the EU.

The EU and the UK will follow a cooperative and transparent approach regarding any necessary adjustment in the WTO arising from the UK withdrawal from the EU. Both the UK and the EU would like to reassure our WTO partners that we will strive to minimise disruption to trade as the UK leaves the EU.

Specifically, the EU and UK intend to maintain the existing levels of market access available to other WTO Members. To this end, we intend that the future EU's (excluding the UK) and the UK's (outside the EU) quantitative commitments in the form of tariff-rate quotas be obtained through an apportionment of the EU's existing commitments, based on trade flows under each tariff-rate quota. In doing so, we propose to follow a common approach, *inter alia* to data and methodology, and to engage actively with WTO Members on these.

Similarly, we intend that the EU's current annual and final bound commitment level specified for domestic agricultural support be apportioned between the future EU and the UK on the basis of an objective methodology.

In all this work, the EU and UK will act in accordance with appropriate WTO rules and procedures.

Following the withdrawal of the UK from the EU, the EU of 27 Member States will remain party to the Government Procurement Agreement. The UK and EU will work together on the UK's objective of remaining, upon leaving the EU, subject to the rights and obligations it currently has under the Government Procurement Agreement as an EU Member State on the basis of the commitments currently contained in the EU schedule of commitments. The EU and the UK will also cooperate in a spirit of transparency with regard to the UK's intentions to establish its own separate UK services schedules.

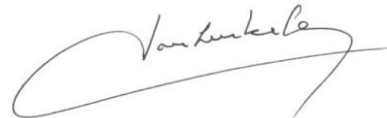
Both the UK and the EU remain fully committed to the trade and development agenda. The UK has already announced its intentions regarding continuation of preferential arrangements for developing and least-developed countries on withdrawal from the EU, and intends to continue supporting technical capacity building in the area of trade.

The UK and the EU are committed to engaging with the WTO Membership in a spirit of cooperation, inclusiveness and openness on these matters over the course of the coming weeks and months.

Yours sincerely,



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to the International Organizations in Geneva



H.E. Marc Vanheukelen
Permanent Representative of the
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