



Committee on the Internal Market and Consumer Protection
The Chair

28.1.2021

Mr David McAllister and Mr Bernd Lange

Chairs

Committee on Foreign Affairs and the Committee on International Trade

BRUSSELS

Subject: Opinion on Decision on the conclusion, on behalf of the Union, of the 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, and of the Agreement between the European Union and the United Kingdom of Great Britain and Northern Ireland concerning security procedures for exchanging and protecting classified information (COM(2020)0856 – C9-0432/2020 – 2020/0382(NLE))

Dear Chairs,

Under the procedure referred to above, the Committee on the Internal Market and Consumer Protection asked to submit an opinion to your committee in the form of a letter.

The Committee on the Internal Market and Consumer Protection considered the matter **at its meeting of 28 January 2021**. At that meeting¹, it decided to call on the Committee on Foreign Affairs and the Committee on International Trade, as the committees responsible, to incorporate the following suggestions into its motion for a resolution.

Yours sincerely,

Anna Cavazzini
Chairwoman

¹ The following were present for the final vote: Anna Cavazzini (Chair), (Vice-Chair), (Vice-Chair), (rapporteur for opinion), , (for), (for pursuant to Rule 209(7)), and .

SUGGESTIONS

1. The Single Market is a main achievement of the Union and has been highly beneficial for both parties' economies and created a basis for progress in the quality of life of their citizens. The new era of economic partnership that opens up should be oriented at generating opportunities that will be mutually beneficial, and by no means allow for any regression in the integrity and the functioning of the Single Market and of the Customs Union. Taking this into account, a non-member of the Union cannot have the same rights and enjoy the same benefits as a member. Distortions in trade of goods and services, unfair competition and an uneven playing field should be avoided as much as possible within the terms of the Agreement. The extension of the facilitations granted to the authorised economic operators is an appropriate way forward to avoid distortions in trade;
2. A robust market surveillance and customs control system and a high level of protection for the rights of EU consumers through effective market surveillance, product traceability, product safety, high quality standards and enforcement mechanisms are key elements to protect the Single Market and the citizens of the Union. The mechanisms for settlement of disputes under the provisions of this agreement need to function in an effective, automatic and swiftly enforceable way to be a real deterrent against deviations from the agreement;
3. The full implementation of the provisions of the Withdrawal Agreement and in particular the Protocol on Ireland and Northern Ireland, is of utmost importance for the integrity of the Single Market and of the Customs Union, areas of responsibility of IMCO; its implementation is to be considered as a cornerstone for the future relationship with the United Kingdom, and an integral part of the new relationship between the EU and the UK; as such, it should be closely monitored, scrutinized and properly enforced;
4. Key aspects are clarity in the system for determination of the goods that are at risk of being imported into the Union, as well as unhindered access to the information and to the locations necessary for the agents of the Union in charge of the verification of the obligations to the performance of their duties as concerns the verification of compliance with the applicable legislation in the areas of customs, security and safety and market surveillance;
5. Thus, compliance with the Protocol is to be considered as an integral part of the conditions to benefit from the facilitations provided for by the Agreement on a future relationship. Failure to fulfil the obligations of the parties as established by the Protocol is to be considered as a motive to trigger the arbitration procedure and, where relevant the rebalancing mechanism that allows either side to impose remedial measures to counter situations of unfair disadvantage to the detriment of their businesses and citizens;
6. Notes that trade in services represents an essential contribution to the European economy, and acknowledges that appropriate arrangements on trade in services between the EU and the UK have been found, including provisions on market access and national treatment under host country rules that ensure that the EU services providers are treated in a non-discriminatory manner; in the case of professional qualifications the arrangements

provide for a clear framework on mutual recognition of professional qualifications, that the framework responds to the negotiation directives from the Parliament by preserving the regulatory autonomy of EU in this area; welcomes the possibility to address joint recommendations to the Partnership Council, which may be the basis for arrangements for the recognition of professional qualifications for specific professions without lowering national levels of education; firmly believes that the exclusive competence of the Union should be fully respected in the future and therefore, the conclusion of bilateral agreements on mutual recognition of qualifications between individual MS and the UK should be avoided;

ADDITIONAL PARAGRAPHS

- A. Regrets the extremely late conclusion of this agreement that created great uncertainty for consumers and businesses within the EU internal market as well as in the UK, and negatively impacted the European Parliament's scrutiny activity; insists that the only guarantee of the achievement of the objectives of the Agreement is to ensure its full implementation and effective enforcement, and stresses the importance of the role of the European Parliament in monitoring this implementation; calls for the Commission to take with the European Parliament a firm and clear commitment, to a good cooperation and active involvement for scrutiny and oversight of the Parliament as well as prompt and full information on the implementation and on potential adaptation of the agreement; furthermore calls on the Commission to ensure that the Parliament will receive adequate and timely information ahead and after the relevant meetings of the Partnership Council and on regulatory cooperation activities;
- B. Underlines that in the implementation process the EU should give special attention to the conformity of the customs checks performed before the goods enter the internal market (either coming from the UK or from other third countries via the UK) as foreseen by the agreement and insists that safeguarding the compliance of goods with internal market rules is of the utmost importance; stresses the need for greater investment in customs controls facilities and for further coordination and exchange of information between both parties in order to prevent as much as possible trade disruptions, as well as to preserve the integrity of the Customs Union in the interest of consumers and businesses. Smooth cooperation between customs and market surveillance authorities is absolutely necessary; raises concerns in particular about the necessary operational capacity of an EU office in Belfast;
- C. Notes, with regard to the agreement on digital trade, the importance to facilitate the settlement of cross-border disputes in online trade, and the need for consumers buying online to be properly informed that they might pay additional fees or customs duties when buying from a UK trader; hopes that the UK will continue to respect European data standards and can continue to be deemed as having an adequate level of protection for EU data;
- D. Considers that on public procurement the arrangements reached in the agreement can guarantee the necessary reciprocity and non-discrimination provisions in the interest of EU businesses and consumers;
- E. Notes that in view of the all-island economy in Ireland, roaming charges may pose

considerable negative implications in border areas;

- F. Notes that no dynamic alignment provision has been included in the agreement which could have contributed to create a level-playing field in the areas of consumer protection, sustainable standards but also in competition rules; welcomes, however, the non-regression clause especially in the areas of consumer protection and in the other relevant areas, as well as the unilateral rebalancing measures in case of significant divergences in these areas where such divergences materially impact trade or investment and underlines the importance of protecting the EU from potential regulatory divergence by the UK in the future;

Calls upon the Commission to assess how unfair competitive advantages due to slowly differing regulatory schemes can be prevented and ensure the continuous development of higher European standards, such as consumer rights related to digitalisation and sustainability; calls for the swift, effective and equitable enforcement of dispute settlement and remedial measures to maintain the integrity Single Market, and a free and fair competition that does not damage the high quality of European standards and consumer protection and ensures in that regard appropriate and proportionate administrative requirements for consumers and businesses, especially SMEs;

- G. Consumer habits and their confidence in cross border shopping have already been negatively affected by the uncertainty over the applicable rules. Therefore, IMCO calls upon the government of the UK, the European Commission and EU Member States to swiftly implement the measures foreseen in the agreement for the protection of consumers, and reinforce the cooperation between the EU and the UK on various sectoral policies relating to sustainable production methods and product safety. Transparency for consumers on the production chain of products and services, the costs with all relevant applicable fees and the applicable rights are important to avoid any friction and to foster confidence of consumers when purchasing cross-border.