CTP/BR6904/MBI

Brussels, 31 January 2020

BREXIT - TRANSITION AND THE EU-UK FUTURE RELATIONSHIP

Latest information relating to Brexit, the transition period and the upcoming EU-UK negotiations on the future relationship agreement.

I. BACKGROUND

On 29 January 2020, the European Parliament (EP) ratified the UK Withdrawal Agreement. So, the UK will become a third country at 00:00 hours Central European Time (CET) on 1 February 2020 (23:00 hours Greenwich Mean Time (GMT) on 31 January 2020).

Until 00:00 CET on 1 January 2021 (23:00 GMT, 31 December 2020), there will be a transition period during which the EU Law continues to apply and the UK is still be considered an EU Member State for customs purposes.

During this eleven-month period, the EU and UK will negotiate their future relationship agreement. Given the limited period of time, a concern has arisen about land transport provisions not being one of the priority topics for the negotiations.

In addition, confusion has arisen relating to the applicable law during the transition period. IRU received information that some enforcement officers have informed drivers working for UK established companies that their Community Licence will no longer be valid after 00:00 CET, 1 February 2020.

II. IRU ACTION

IRU addressed letters to the <u>European Commission</u> (EC) and the <u>UK Prime Minister</u> asking them to address land transport market access as a key priority during the upcoming negotiations. The letters also contain a number of general suggestions for the content of the market access provisions. The more detailed technical aspects will be discussed during follow-up meetings.

It is understood that several Member States have already asked the EC to prioritise transport.

IRU has been in touch with the EC, DG MOVE to obtain a clarification about the applicable law during the transition period. The EC confirmed that the Withdrawal Agreement provides that EU Law applies during the transition period. In particular, according to the EC, "the sixth paragraph of Article 127 says that, "unless otherwise provided in this Agreement, during the transition period, any reference to Member States in the Union law applicable pursuant to paragraph 1, including as implemented and applied by Member States, shall be understood as including the United Kingdom." Article 4 of Regulation (EC) No 1073/2009 specifies that "The competent authorities of the Member State of establishment shall issue the holder with the original of the Community licence." During the transition period, this reference includes the United Kingdom."

III. ACTION FOR MEMBERS

Members are invited to use the content of the two letters to ask their government for support to prioritise land transport market access during the upcoming EU-UK negotiations on the future relationship agreement.

Members are also invited to use the information, provided by the EC, about the applicable law during the transition period in contacts with their competent authorities. **EU Law continues to apply in the UK for**

EU27 established companies as well as in the EU for UK established companies until 00:00 CET, 1 January 2021 (23:00 GMT, 31 December 2020).

IRU will keep members informed of new developments.

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