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<Commission>{IMCO}Committee on the Internal Market and Consumer Protection</Commission>

The Chair

<Date>{05/01/2021}5.1.2021</Date>

Mr David McAllister and Mr Bernd Lange

Chairs

Committee on Foreign Affairs and the Committee on International Trade

BRUSSELS

Subject: <Titre>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</Titre> <DocRef>(COM(2020)0856 – C9‑0432/2020 – 2020/0382(NLE))</DocRef>

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 . At that meeting[[1]](#footnote-1), 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

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. 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 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 responsiblity 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 business 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 further negotiations to develop a framework on recognition of professional qualifications for specific professions; 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 that the European Parliament had not sufficient time for scrutiny of the Trade and Cooperation Agreement before it came into provisional effect. 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 conclusion of inter-institutional agreement between the European Commission, the Council and the Parliament to regulate the methods of cooperation within Institutions on the implementation and any potential adaptation of the agreement, and that provides for access to information and documents prior to meetings of the Partnership Council and on regulatory cooperation activities.** **Whenever the Partnership Council is to discuss legal acts that in the Union are to be adopted in accordance with the ordinary legislative procedure, the European Commission must obtain an authorisation from the European Parliament. Insists that the EU-participants in the working groups and specialised committees overseeing the steering and implementation of the agreement regularly report to the European Parliament, and tha the arbitrators for the dispute settlement system need to be chosen with the input of the European Parliament.**

**B. Acknowledges that, since the EU is the UK's largest trade partner and the UK is the Union's third largest partner and although the Agreement provides for zero tariffs and quotas on goods, the introductions of customs controls could increase costs for exporters on both sides**. S**tresses 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 onnine consumers to be properly informed that they might pay additional fees or custom 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; given the increasing importance of data as a driver of economic growth, innovation and sustainability** an adequate data flow between the EU and the UK may facilitate digital trade and foster future further developments;

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-Ireland economy roaming charges may pose considerable negative implications in border areas;

**F. Finds it regrettable that no dynamic alignment for the level-playing field could be included in the agreement, especially in the areas of consumer protection, social and environmental standards, but also competition rules, and underlines the importance of of protecting the EU from potential regulatory divergence by the UK in the future. 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 keeps the keep administrative burdens for consumers and businesses - especially SMEs - at a minimum**

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 EU and 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 true costs and the applicable rights is important to avoid any friction and to foster confidence of consumers when shopping cross-border;

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 . [↑](#footnote-ref-1)