

**Explanation:** this is a draft of a very basic FTA providing for free trade on EU and UK products that meets WTO rules (in particular Article XXIV GATT 1994). Issues relating to subsidies, regulations, trade remedies, among others, are dealt with under WTO law.

**Disclaimer:** This document is written in a personal capacity, and not to be attributed to any employer

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## **UK-EU FTA**

### **The parties agree as follows**

#### *ARTICLE 1*

### **Customs duties**

No Party shall apply customs duties to the products of the other Party, as defined in the Annex on Rules of Origin. For the purposes of this Chapter, ‘customs duties’ means any duty or charge of any kind imposed on or in connection with the importation or exportation of a good, including any form of surtax or surcharge imposed on or in connection with such importation or exportation, but does not include any:

- (a) charge equivalent to an internal tax imposed in accordance with Article III:2 of GATT 1994;
- (b) duty applied in accordance with Articles XXIV:8 of GATT 1994 or Article 22 of the WTO Dispute Settlement Understanding; and
- (c) fees or other charges imposed in accordance with Article VIII of GATT 1994.

#### *ARTICLE 2*

### **Quantitative restrictions**

Article XI of GATT 1994 is incorporated into and made part of this Agreement, *mutatis mutandis*.

#### *ARTICLE 3*

### **General and security exceptions**

Articles XX and XXI of GATT 1994 are incorporated into and made part of this Agreement, *mutatis mutandis*.

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## **ANNEX ON RULES OF ORIGIN**

### Article 1

### **Applicable rules of origin**

For the purpose of implementing this Agreement, Appendix I and the relevant provisions of Appendix II to the Regional Convention on pan-Euro-Mediterranean preferential rules of origin (“the Convention”), shall apply. All references to the “relevant agreement” in Appendix I to the Convention and in the relevant provisions of Appendix II to the Convention shall be construed so as to mean this Agreement.

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## **INSTITUTIONAL PROVISIONS**

[Including dispute settlement]