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UK 133
VETER 76
SEMENCES 24
PHYTOSAN 25
AGRI 353
DENLEG 30
CLIMA 277
ENV 713
ENER 372
POLCOM 165

COVER NOTE

From:	Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director
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To:	Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union
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Subject:	Recommendation for a COUNCIL DECISION authorising the opening of negotiations between the European Union and the United Kingdom of Great Britain and Northern Ireland on a common sanitary and phytosanitary area between the European Union and the United Kingdom in respect of Great Britain and to link the United Kingdom and the Union's greenhouse emissions trading systems

Delegations will find attached document COM(2025) 408 final.

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Recommendation for a

COUNCIL DECISION

authorising the opening of negotiations between the European Union and the United Kingdom of Great Britain and Northern Ireland on a common sanitary and phytosanitary area between the European Union and the United Kingdom in respect of Great Britain and to link the United Kingdom and the Union's greenhouse emissions trading systems

EXPLANATORY MEMORANDUM

1. 1. CONTEXT OF THE RECOMMENDATION

1.1. Reasons for and objectives of the recommendation

On 1 February 2020, the United Kingdom of Great Britain and Northern Ireland ('the United Kingdom') withdrew from the European Union ('the Union') and from the European Atomic Energy Community ('Euratom'). The relationship is governed by two agreements:

- The Withdrawal Agreement.¹ The Protocol on Ireland/Northern Ireland – now referred to as the Windsor Framework², forms an integral part of the Withdrawal Agreement.
- The Trade and Cooperation Agreement.³

On 19 May 2025, the European Union and the United Kingdom held their first summit and adopted a Joint Statement, reaffirming the commitment to the full, timely and faithful implementation of the Withdrawal Agreement, including the Windsor Framework, and the Trade and Cooperation Agreement. They welcomed a renewed agenda for EU-UK cooperation – Common Understanding⁴, agreed between the United Kingdom and the European Commission.

The Common Understanding was the result of exploratory talks, and it sets out the political agreement of a series of underlying parameters for the future work on agreements for a common sanitary and phytosanitary area and on the linking of the emissions trading systems, while recalling that the two sides would proceed swiftly on these undertakings in accordance with the respective procedures and legal frameworks.

(a) Common Sanitary and Phytosanitary Area

Since 1 January 2021, the Union and the United Kingdom are two separate sanitary and phytosanitary areas, with separate legislation and policies, except for the United Kingdom in respect of Northern Ireland where the Union's sanitary and phytosanitary rules apply by virtue of the Windsor Framework.

The Union has applied the rules of its sanitary and phytosanitary acquis, as well as relevant acquis on marketing standards and other requirements, including provisions on certification, controls and substantive requirements, applicable to movements from/to third countries, in respect of Great Britain since 1 January 2021. These controls include in particular documentary, identity and physical checks to ensure that goods comply with Union's health, safety and quality standards. The United Kingdom delayed the implementation of full border controls on entries from the Union several times. In January 2024, it started applying measures on imports from the Union that included sanitary and phytosanitary checks and certification, pre-notification of imports and documentary, identity and physical controls at the border, as well as significant inspection fees. Additional checks and controls were also announced but further delayed. In particular, on 2 June 2025, the government of the United Kingdom announced that controls of medium-risk fruits and

¹ Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community (OJ L 29, 31.1.2020, p. 7) ('Withdrawal Agreement').

² Joint Declaration No 1/2023 of the Union and the United Kingdom in the Joint Committee established by the Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community of 24 March 2023, OJ L 102, 17.4.2023, p. 87.

³ 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 (OJ L 149, 30.4.2021, p. 10–2539) ('Trade and Cooperation Agreement')

⁴ A renewed agenda for European Union – United Kingdom cooperation Common Understanding, https://ec.europa.eu/commission/presscorner/detail/en/statement_25_1267

vegetables would be postponed until January 2027 in view of the commitment taken during the Summit of 19 May 2025 between the European Union and the United Kingdom. Similarly, the United Kingdom postponed until 1 February 2027 the introduction of certification requirements and checks in relation to organics and marketing standards.

A common sanitary and phytosanitary area between the Union and the United Kingdom would facilitate trade in products subject to sanitary and phytosanitary or other relevant rules mentioned above. It would result in the vast majority of movements of animals, animal products, plants, and plant products between Great Britain and the Union being undertaken without the certificates or controls that are currently required or expected. It would have to ensure that it does not compromise the Union's internal market or its comprehensive approach to sanitary and phytosanitary risks as well as food standards. The agreement would thereby have to ensure a high level of protection against sanitary and phytosanitary risks as well as appropriate consumer protection in the Union and the United Kingdom.

(b) Linking the United Kingdom and Union greenhouse gas emissions trading systems

Since 1 January 2021, the Union and the United Kingdom have run separate greenhouse gas emissions trading systems, except for the United Kingdom in respect of Northern Ireland, where the Union greenhouse gas emissions trading system applies insofar as it relates to wholesale electricity markets in accordance with Article 9 of and Annex 4 to the Windsor Framework.

The greenhouse gas emissions trading systems of the Union and the United Kingdom share many common design features. However, the two systems started to diverge from 2021, for instance as regards to their scope (e.g., from 2024 the Union greenhouse gas emissions trading system covers domestic and international maritime transport and has a larger scope as concerns international aviation) and the level of allowances. These divergences contribute to different carbon prices in the Union and in the United Kingdom.

Linking the United Kingdom and the Union's greenhouse gas emissions trading systems would serve both parties' sustainability objectives. It would advance the level playing field between the Union and the United Kingdom and reduce the risk of carbon leakage. It would furthermore increase certainty in carbon price formation, increase liquidity of the carbon markets, and remove the need for the application of the respective parties' carbon border adjustment mechanisms to products originating in the other party.

1.2. Consistency with existing policy provisions in the policy area

Trade and Cooperation Agreement

The Trade and Cooperation Agreement contains provisions in relation to both sanitary and phytosanitary measures and greenhouse gas emissions trading.

Regarding sanitary and phytosanitary measures, these provisions build on two separate sanitary and phytosanitary areas. Based on this premise, the Trade and Cooperation Agreement provides for cooperation in order to protect human, animal and plant life or health; furthers the implementation of the WTO Agreement on the Application of Sanitary and Phytosanitary Measures; ensures that sanitary and phytosanitary measures do not create unnecessary barriers to trade; promotes greater transparency and understanding of such measures; enhances cooperation in the fight against antimicrobial resistance, promotion of sustainable food systems, protection of animal welfare and on electronic certification; enhances cooperation in the relevant international organisations to develop international standards, guidelines and recommendations on animal health, food safety and plant health, as well as promotes their implementation. In relation to organic products, the Trade and Cooperation Agreement, in particular Annex 14 thereof, establishes a mutual recognition of the equivalence of the EU and United Kingdom's organic rules.

Regarding the linking of the United Kingdom and the Union's greenhouse gas emissions trading, Article 392(6) of the Trade and Cooperation Agreement provides that the Union and the United Kingdom shall give serious consideration to linking their respective carbon pricing systems in a way that preserves the integrity of these systems and provides for the possibility to increase their effectiveness.

The new agreements should (i) guarantee dynamic alignment with all the relevant European Union rules, (ii) ensure uniform interpretation, (iii) include a dispute resolution mechanism with an independent arbitration tribunal based on the Trade and Cooperation Agreement with a role for the Court of Justice of the European Union as the ultimate authority for all questions of EU law; and (iv) include a robust mechanism to ensure compliance with rulings of the arbitral tribunal, for instance through the possibility to adopt appropriate measures to protect the Union interests and the possibility of cross-retaliation between the new agreements and between these and the areas covered by the Trade and Cooperation Agreement.

They should ensure that: (i) appropriate use is made of the governance structures of the existing agreements, notably the Trade and Cooperation Agreement, and (ii) that the safeguard clause of the Trade and Cooperation Agreement (Article 773 Trade and Cooperation Agreement) applies to the new agreements.

Withdrawal Agreement including the Windsor Framework

The Windsor Framework makes a set of relevant Union law automatically applicable to and in the United Kingdom in respect of Northern Ireland, in order to avoid a hard border on the island of Ireland. The Windsor Framework will continue to apply both as regards the sanitary and phytosanitary measures and the Single Electricity Market.

The two envisaged agreements on a common sanitary and phytosanitary area and on the linking of the greenhouse gas emission systems would therefore apply alongside and without prejudice to the Windsor Framework, as detailed below.

(a) As regards sanitary and phytosanitary measures:

- The Union relevant acquis would continue to apply to and in the United Kingdom in respect of Northern Ireland by virtue of the Windsor Framework, and in particular its Articles 5(4) and 13(1) and (3) read in conjunction with the relevant parts of Annex 2;
- The implementation, application, supervision and enforcement of the Union acquis applicable to and in the United Kingdom in respect of Northern Ireland as set out in Article 12 of the Windsor Framework would continue to apply.

After the conclusion of an EU-UK agreement on a common sanitary and phytosanitary area and only for as long as there is full compliance with such an agreement, the intention is to ensure that the same benefits of the agreement will be extended to the sanitary and phytosanitary aspects of the movements of goods into Northern Ireland from other parts of the United Kingdom, through the interplay of such an agreement and the Windsor Framework.

This would mean that the vast majority of movements of animals, animal products, plants, and plant products between Great Britain and Northern Ireland would be undertaken without the certificates or controls that are currently required or expected. In addition, requirements such as the “not for EU” labelling for specific retail agri-foods would be removed as both the EU and the United Kingdom would be subject to the same SPS rules and standards and the destination or consumption of those goods would no longer be limited to Northern Ireland without onward movement into the EU.

To this end, the Commission will propose to initiate the necessary procedures in order to add the relevant Union act(s) concerning the future EU-UK agreement on a common sanitary and

phytosanitary area to the relevant annex of the Windsor Framework, as well as to table targeted amendments to the relevant Union legislation applicable to and in the United Kingdom in respect of Northern Ireland. The latter may include i) elements pertaining to the extension of the benefits of the future agreement to the movements of goods between Great Britain and Northern Ireland and corresponding safeguards, and ii) provisions specifying the conditions to maintain in full or in part the existing sanitary and phytosanitary facilitations under the Windsor Framework where useful. The content of those amendments, including the appropriate safeguard measures, can only be established once the negotiations for an EU-UK agreement on a common sanitary and phytosanitary area are completed, and the exact scope and content of the envisaged agreement is known.

- (b) As regards linking the United Kingdom and Union greenhouse gas emissions trading systems:

The agreement to link the Union emissions trading system with the emissions trading scheme of the United Kingdom should apply to the Union and the United Kingdom. In respect of Northern Ireland for wholesale electricity markets, the arrangements provided for in Article 9 of and Annex 4 to the Windsor Framework will continue to apply.

1.3. Consistency with other Union policies

Level Playing Field Benefits

Both agreements would ensure that a level playing field is in place for operators in the European Union and the United Kingdom. The agreement on a common sanitary and phytosanitary area would ensure common standards and regulatory alignment to Union rules. In the case of emissions trading, the agreement to link the United Kingdom and the Union's greenhouse emissions trading systems would ensure at least the same decarbonisation ambition, thereby reducing the risk of carbon leakage and distortion of competition, but also the same scope (except the individual heating of housing) and regulatory alignment to relevant Union rules.

The agreement to link the United Kingdom and the Union's greenhouse emissions trading systems would have to satisfy the conditions set out in Article 2(6) of Regulation (EU) 2023/956 establishing a carbon border adjustment mechanism ('CBAM regulation'). As a result, once the agreement is in force, the CBAM regulation would not apply to goods originating in the United Kingdom. Equally, the United Kingdom would not apply its own CBAM to goods originating in the Union.

Bilateral Trade Benefits

The agreement on a common sanitary and phytosanitary area would facilitate trade by removing the need for certification and systematic border controls on products and standards covered by the agreement, while maintaining high standards of protection of public, animal and plant health as well as food standards.

Sustainability and Climate Benefits

The greenhouse gas emissions trading system of the Union is a cornerstone of its climate policy, designed to cost-effectively bring down greenhouse gas emissions across a range of activities. In line with the 'polluter pays' principle, the trading system sets a limit and puts a carbon price on emissions from the energy and industrial sectors, aviation, as well as maritime transport, which are responsible for approximately 40% of the Union's total emissions. The system uses market forces to determine the carbon price, which creates incentives to reduce emissions where it is most cost-

effective to do so. Carbon prices also shape the revenues that are invested in climate action and energy transition.

The agreement to link the United Kingdom and the Union's greenhouse emissions trading systems would enable the EU to leverage these benefits in a bilateral context and support the development of a well-functioning international carbon market through the linking of greenhouse gas emissions trading systems. This is a long-term goal of the Union, notably as a means to achieve climate objectives under the Paris Agreement adopted in December 2015.

2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY

2.1. Procedural legal basis

Article 218(3) of the Treaty on the Functioning of the European Union (TFEU) provides that, where the agreement envisaged does not relate exclusively or principally to the common foreign and security policy, the Commission shall submit recommendations to the Council. The Council shall adopt a decision authorising the opening of the negotiations and nominating the Union negotiator or the head of the Union's negotiating team.

Article 218(4) TFEU provides that the Council may address negotiating directives to the negotiator and designate a special committee to consult the negotiator.

The Commission recommends to open negotiations between the European Union and the United Kingdom for two international agreements, one relating to a common sanitary and phytosanitary area and one agreement relating to the linking of the United Kingdom and of the Union's emissions trading systems. The Commission is to be nominated as negotiator.

The procedural legal basis for the proposed decision to authorise opening of negotiations of the two envisaged agreements is Article 218(3) and (4) TFEU.

2.2. Substantive Legal basis

This proposal concerns the negotiation of two different agreements which will fall under two different substantive legal bases.

In line with opinion 1/94⁵ and opinion 2/15⁶ of the CJEU, agreements to third countries involving sanitary and phytosanitary matters are part of the Common Commercial Policy under Article 207 TFEU. Hence, the substantive legal basis of an agreement between the Union and United Kingdom on a common sanitary and phytosanitary area should be the first subparagraph of Article 207(4) TFEU.

An agreement on linking the United Kingdom and the Union's emissions trading systems shall be concluded on the basis of Article 192(1) TFEU.

2.3. Union competence

As the legal basis of an agreement on a common sanitary and phytosanitary area falls under the Common Commercial Policy, the Union has exclusive competence to conclude that agreement in accordance with Article 3(1) TFEU.

The Union has also exclusive competence to conclude the agreement on linking the United Kingdom and the Union emissions trading systems in accordance with Article 3(2) TFEU.

⁵ Opinion of the Court of 15 November 1994, opinion 1/94, European Court Reports 1994 I-05267.

⁶ Opinion of the Court of 16 May 2017, opinion 2/15, *OJ C 239, 24.7.2017, p. 3–3*

2.4. Subsidiarity (for non-exclusive competence)

According to Article 5(3) of the TEU, the subsidiarity principle does not apply in areas of exclusive EU competence.

2.5. The choice of negotiator

Given that the agreements envisaged exclusively cover matters other than the Common Foreign and Security Policy, the Commission must be designated as the negotiator pursuant to Article 218(3) TFEU.

2.6. Proportionality

The Union's action does not go further than what is necessary to achieve the policy objectives of creating a common sanitary and phytosanitary area and linking the United Kingdom and the Union's emissions trading systems.

2.7. Choice of the instrument

This Recommendation for a Council decision is submitted in accordance with paragraphs 3 and 4 of Article 218 TFEU, which envisage the adoption by the Council of a decision authorising the opening of negotiations and nominating the Union negotiator. The Council may also address negotiating directives to the negotiator. There exists no other legal instrument that could be used in order to achieve the objective expressed in this recommendation.

3. RESULTS OF EX-POST EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS

N/A

4. BUDGETARY IMPLICATIONS

The agreements should include provisions to ensure the United Kingdom contributes financially to support the Union's work in these policy areas.

5. OTHER ELEMENTS

5.1. Detailed explanation of the specific provisions of the recommendation

With this recommendation, the European Commission invites the Council of the European Union to authorise the opening of negotiations for agreements between the Union and the United Kingdom on the establishment of a common sanitary and phytosanitary area and on linking their greenhouse gas emissions trading systems, to nominate the European Commission as Union's negotiator and to address directives to the negotiator and designate committees in consultation with which the negotiations must be conducted.

Common elements for both agreements:

1. Both agreements should be without prejudice to the proper functioning of the Union's internal market and respective systems.
2. Neither agreement should give the United Kingdom the right to participate in the Union's decision-making. However, the United Kingdom should be involved at an early stage and contribute appropriately for a country that is not a member of the European Union to the decision-shaping process of European Union legal acts in the fields covered by the obligation to dynamically align and simultaneously apply. The European Commission should consult the United Kingdom at an early stage of policy-making. These rights would not extend to participation in the work of the Council or its preparatory bodies.

3. Both agreements should provide for an obligation for the United Kingdom to dynamically align to the relevant Union legislation. The principle of dynamic alignment should ensure that identical rules within the scope of the agreement are simultaneously applied.
4. Both agreements should ensure uniform interpretation and application of Union law on the basis of the case-law of the Court of Justice of the European Union; in particular, the interpretation given to the applicable rules within the Union should also apply in the context of the relations between the Parties.
5. Both agreements should include effective mechanisms for dispute resolution involving an independent arbitral tribunal and ensuring that the Court of Justice of the European Union is the ultimate authority for all questions of European Union law, with possibilities for appropriate measures to protect the Union interests in case of non-compliance with the agreements.
6. The agreements should ensure that the institutional committee structure of the Trade and Cooperation Agreement is used for the administration of the new agreements.
7. The agreements should include provisions to ensure that cross-retaliation between the new agreements and the areas covered by the Trade and Cooperation Agreement remains possible as contemplated in the Trade and Cooperation Agreement.
8. The agreements should ensure that the Safeguard Measures clause of the Trade and Cooperation Agreement (Article 773 Trade and Cooperation Agreement) applies.
9. The United Kingdom should contribute financially to support relevant costs associated with the Union's work in these policy areas.

Main elements regarding the agreement on a common sanitary and phytosanitary area:

10. The envisaged agreement should establish a common sanitary and phytosanitary area between the Union and the United Kingdom in respect of Great Britain. As a result, animals, plants, food/feed products of animal or plant origin as well as related products covered by the regulations included in the scope of the agreement, and in relation to standards covered by the agreement, would move between the Union and the United Kingdom in respect of Great Britain as if they moved within the Union.
11. The scope should cover sanitary, phytosanitary, food safety and general consumer protection rules applicable to the production, distribution and consumption of agrifood products, the regulation of live animals and pesticides, the rules on organic production and labelling of organic products as well as marketing standards applicable to certain sectors or products.
12. The principle of dynamic alignment mentioned above should ensure that identical rules within this scope are applied to and in the United Kingdom in respect of Great Britain and in the Union in order to create a common sanitary and phytosanitary area. In addition to that principle, the agreement would have to provide for the simultaneous application, to and in the United Kingdom in respect of Great Britain, of all of those rules.
13. In addition, the agreement should provide that certain provisions of Union law, including emergency measures and those applicable to the entry of animals, plants, food/feed products of animal or plant origin as well as related products, into the Union from the rest of the world are immediately applicable to and in the United Kingdom in respect of Great Britain.
14. The agreement should provide the same possibilities for the United Kingdom to take targeted action to protect its biosecurity and public health as those offered to Member

States under Union law. In addition, the agreement may include a short list of limited exceptions to the principles of dynamic alignment and simultaneous application. An exception should only be agreed if: (i) it does not lead to the application of lower standards in the United Kingdom in respect of Great Britain as compared to those laid down in the relevant Union rules; (ii) it may not be invoked to restrict or affect in any other negative way the entry into the territory of the United Kingdom of animals, plants and goods originating in the Union that comply with Union law; (iii) it respects the principle that only animals, plants and goods which comply with Union law can enter the Union.

Main elements regarding the agreement to link the United Kingdom and the Union's greenhouse emissions trading systems:

15. The agreement should link the greenhouse gas emissions trading systems of the Union and the United Kingdom, ensuring mutual recognition of emission allowances.
16. The agreement should ensure that each party does not apply its carbon border adjustment mechanism to imported goods originating in the other party, provided that it complies with the relevant EU legislation.
17. The sectors falling within the scope of the agreement should include, among others: electricity generation, industrial heat generation (excluding the individual heating of houses), industry, domestic and international maritime transport and domestic and international aviation and within this scope, the agreement should ensure the dynamic alignment of the United Kingdom with the relevant Union rules. The agreement should provide for a procedure to further expand the list of sectors to be covered.
18. The agreement should require the United Kingdom to dynamically align to the relevant acquis, notably Directive 2003/87/EC and derived legislation.
19. The scope of dynamic alignment should also include all the provisions of the EU financial regulatory and supervisory framework applicable to trade in allowances of the Union emission trading system (EU ETS) and derivatives thereof.
20. The agreement should define the United Kingdom's cap and reduction pathway, which should be at least as ambitious as the European Union cap and the reduction pathway followed by the Union.

COUNCIL DECISION

authorising the opening of negotiations between the European Union and the United Kingdom of Great Britain and Northern Ireland on a common sanitary and phytosanitary area between the European Union and the United Kingdom in respect of Great Britain and to link the United Kingdom and the Union's greenhouse emissions trading systems

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular the first subparagraph of Article 207(4) and Article 192(1) in conjunction with Article 218(3) and (4) thereof,

Having regard to the recommendation from the European Commission,

Whereas:

- (1) 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 ('the Trade and Cooperation Agreement')⁷ applies since 1 January 2021. It is, next to the Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community ('the Withdrawal Agreement')⁸, the cornerstone for the bilateral relations between the European Union ('the Union') and the United Kingdom of Great Britain and Northern Ireland ('the United Kingdom').
- (2) On 31 December 2020, when the transition period provided for in the Withdrawal Agreement ended, Union law ceased to apply to the United Kingdom, whilst the Protocol on Ireland/Northern Ireland – now referred to as the Windsor Framework⁹ - which forms an integral part of the Withdrawal Agreement, became applicable.
- (3) Since 1 January 2021, the sanitary and phytosanitary areas of the Union, on the one hand, and the United Kingdom, on the other hand, are separated from each other, with separate legislation and policies. However, the Union's sanitary and phytosanitary rules and other relevant rules apply to and in the United Kingdom in respect of Northern Ireland by virtue of the Windsor Framework, thereby including Northern Ireland in the sanitary and phytosanitary area of the Union.
- (4) Since 1 January 2021, the Union and the United Kingdom run separate greenhouse gas emissions trading systems except for the United Kingdom in respect of Northern Ireland, where the Union's greenhouse gas emissions trading system applies insofar as it relates to wholesale electricity markets in accordance with Article 9 of and Annex 4 to the Windsor Framework.

⁷ (OJ L 149, 30.4.2021, p. 10).

⁸ (OJ L 29, 31.1.2020, p. 7).

⁹ The Windsor Framework is the new way in which the Protocol on Ireland / Northern Ireland, as amended by the Withdrawal Agreement Joint Committee Decision No 1/2023, is referred to in accordance with Joint Declaration No 1/2023 of the Union and the United Kingdom (OJ L 102, 17.4.2023, p. 87).

- (5) From the beginning of the process leading to the withdrawal of the United Kingdom from the Union, the Union has shown openness to creating a common sanitary and phytosanitary area with the United Kingdom in respect of Great Britain, provided the right conditions are met.
- (6) Article 764 of the Trade and Cooperation Agreement provides that the fight against climate change constitutes an essential element of the partnership established by the Trade and Cooperation Agreement and future supplementing agreements.
- (7) According to Article 392(6) of the Trade and Cooperation Agreement, the Union and the United Kingdom shall give serious consideration to linking their respective carbon pricing systems in a way that preserves the integrity of these systems and provides for the possibility to increase their effectiveness.
- (8) Article 25(1a) of Directive 2003/87/EC of the European Parliament and of the Council¹⁰ ('Directive 2003/87EC') provides for the possibility to conclude agreements with third countries for the mutual recognition of allowances between greenhouse gas emissions trading systems.
- (9) Directive 2003/87/EC requires that any such third country emissions trading system be mandatory and based on absolute emissions caps. These criteria are currently met by the United Kingdom's greenhouse gas emissions trading system.
- (10) According to Article 2(4) and (6) of Regulation (EU) 2023/956 of the European Parliament and of the Council¹¹ ('CBAM regulation'), the CBAM regulation does not apply to goods originating from third countries with whom the Union has concluded an agreement fully linking the Union emission trading system and the emission trading system of that third country and which fulfil all the relevant conditions.
- (11) At their summit on 19 May 2025, the European Commission and the United Kingdom agreed on a Common Understanding that identifies working towards both a common sanitary and phytosanitary area and linking their emission trading systems as key priorities. The Common Understanding also sets out the political agreement of a series of underlying parameters for the future work on agreements on a common sanitary and phytosanitary area and on linking the United Kingdom and the Union emission trading systems, while recalling that the two sides would proceed swiftly on these undertakings in accordance with the respective procedures and legal frameworks.
- (12) Negotiations should therefore be opened with a view to concluding two separate agreements with the United Kingdom: one on a common sanitary and phytosanitary area and another to link the United Kingdom and the Union's greenhouse emissions trading systems,

¹⁰ Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a system for greenhouse gas emission allowance trading within the Union and amending Council Directive 96/61/EC, OJ L 275, 25.10.2003, p. 32–46, ELI: <http://data.europa.eu/eli/dir/2003/87/2024-03-01>

¹¹ Regulation (EU) 2023/956 of the European Parliament and of the Council of 10 May 2023 establishing a carbon border adjustment mechanism, OJ L 130, 16.5.2023, p. 52–104, ELI: <http://data.europa.eu/eli/reg/2023/956/oj>

HAS ADOPTED THIS DECISION:

Article 1

The Commission is hereby authorised to negotiate, on behalf of the Union, with the United Kingdom:

- (a) an agreement on a common sanitary and phytosanitary area between the Union and the United Kingdom in respect of Great Britain;
- (b) an agreement to link the greenhouse gas emissions trading systems of the Union and the United Kingdom.

Article 2

The negotiating directives are set out in the Annex to this Decision.

Article 3

The negotiations shall be conducted in consultation with the [name of the special committee(s) to be inserted by the Council].

Article 4

This Decision is addressed to the Commission.

Done at Brussels,

*For the Council
The President*