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**PROPOSAL**

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From:	Secretary-General of the European Commission, signed by Mr Jordi AYET PUIGARNAU, Director
date of receipt:	5 December 2018
To:	Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union
No. Cion doc.:	COM(2018) 834 final
Subject:	Proposal for a COUNCIL DECISION on the conclusion of 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

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Delegations will find attached document COM(2018) 834 final.

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Encl.: COM(2018) 834 final



Brussels, 5.12.2018  
COM(2018) 834 final

2018/0427 (NLE)

Proposal for a

**COUNCIL DECISION**

**on the conclusion of 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**

(Text with EEA relevance)

## EXPLANATORY MEMORANDUM

### 1. CONTEXT OF THE PROPOSAL

#### • **Reasons for and objectives of the proposal**

On 29 March 2017, the United Kingdom notified the European Council pursuant to Article 50 of the Treaty on European Union of its intention to withdraw from the European Union and from the European Atomic Energy Community. In accordance with Article 50 of the Treaty on European Union, the Union shall negotiate with the withdrawing State an agreement setting out the arrangements for its withdrawal (the Withdrawal Agreement), taking account of the framework for its future relationship with the Union. The Withdrawal Agreement is to be concluded on behalf of the Union by the Council, after obtaining the consent of the European Parliament.

Following the notification, the European Council (Article 50) adopted guidelines on 29 April 2017. In the light of these guidelines, the Council authorised the Commission on 22 May 2017 to open the negotiations for an agreement with the United Kingdom setting out the arrangements for its withdrawal from the European Union and from the European Atomic Energy Community, and adopted the negotiating directives for these negotiations. On 15 December 2017, the European Council adopted guidelines supplementing the ones from 29 April 2017 and setting out the principles and conditions for any transitional arrangements, after which, the Council, on 29 January 2018, adopted supplementary negotiating directives.

The negotiations have been conducted in the light of the above European Council guidelines and in line with the negotiating directives issued by the Council, and with due regard to the resolutions of the European Parliament of 5 April 2017, 3 October 2017, 13 December 2017 and 14 March 2018.

The negotiations were completed and initialled at the level of the Chief Negotiators on 14 November 2018.

An agreement on a future relationship between the Union and the United Kingdom can only be concluded once the United Kingdom has become a third country. However, Article 50 of the Treaty on European Union requires that the framework for the future relationship with the Union is taken into account in the agreement setting out the arrangements for the withdrawal. An overall understanding with the United Kingdom on the framework for the future relationship was identified during negotiations under Article 50 in the Political Declaration setting out the framework for the future relationship between the European Union and the United Kingdom that has been approved by the European Council on 25 November 2018<sup>1</sup>.

#### • **Consistency with other Union policies**

The Withdrawal Agreement fully respects the Treaties and preserves the integrity and the autonomy of the Union legal order. It promotes the values, objectives, and interests of the Union, and ensures the consistency, effectiveness and continuity of its policies and actions. In particular, Article 4 of the Withdrawal Agreement lays down methods and principles relating to the effect, the implementation and the application of the agreement that ensure the same

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<sup>1</sup> <https://www.consilium.europa.eu/media/37100/20181121-cover-political-declaration.pdf>

legal effect of Union law provisions made applicable by the Withdrawal Agreement in the United Kingdom as within the Union and its Member States.

- **Fundamental rights**

According to Article 6 of the Treaty on European Union, the Union recognises the rights, freedoms and principles set out in the Charter of Fundamental Rights of the European Union, which has the same legal value as the Treaties. Moreover, fundamental rights, as guaranteed by the European Convention for the Protection of Human Rights and Fundamental Freedoms and as they result from the constitutional traditions common to the Member States, constitute general principles of the Union's law.

These rights, freedoms and principles are fully preserved and protected in the Union after the withdrawal of the United Kingdom from the Union. Moreover, the Withdrawal Agreement ensures that whenever Union law provisions or concepts are referred to, they are interpreted and applied using the methods and general principles of interpretation applicable within the Union, including consistent interpretation with the Charter of Fundamental Rights. This is particularly relevant for the Part of the Agreement on citizens' rights which relies extensively on Union law.

## **2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY**

- **Legal basis**

The United Kingdom has notified its intention to withdraw from the European Union. As a consequence, Article 50 of the Treaty on European Union constitutes the legal basis for the conclusion of a withdrawal agreement. It is recalled that in accordance with Article 106a of the Treaty establishing the European Atomic Energy Community, Article 50 of the Treaty on European Union applies also to the European Atomic Energy Community.

In accordance with Article 50(2) of the Treaty on European Union, the Withdrawal Agreement shall be concluded on behalf of the Union by the Council, acting by a qualified majority, after obtaining the consent of the European Parliament.

- **Proportionality**

The Withdrawal Agreement settles all disentanglement issues and sets out clearly the terms and conditions of the transition and its duration. In so doing, the Withdrawal Agreement is adequate and proportionate to the objective of ensuring an orderly withdrawal of the United Kingdom from the Union.

- **Choice of the instrument**

In accordance with Article 50(2) of the Treaty on European Union, the arrangements for the withdrawal have to be laid down in an agreement between the withdrawing state and the Union; the conclusion of such an agreement is decided by a Council decision.

## **3. BUDGETARY IMPLICATIONS**

Since the Withdrawal Agreement ensures that the Union and the United Kingdom both respect the financial obligations resulting from the whole period of the UK membership in the Union, the only budgetary impact of the Withdrawal agreement for the Union results from establishment of the Joint Committee, composed of representatives of the Union and of the United Kingdom. The Joint Committee will among others supervise and facilitate the

implementation and application of the Withdrawal agreement. The Joint Committee will meet at least once a year, at the request of either party. In addition, there could also be costs linked to the possible initiation of an arbitration procedure under the dispute settlement of the Agreement. Should the transition period be extended, the United Kingdom will make a contribution for that new period to the Union budget that will be treated as General Revenues. The legislative financial statement attached to this proposal gives additional details on its estimated financial impact for the Union's budget.

#### **4. OTHER ELEMENTS**

##### **• Implementation plans and monitoring, evaluation and reporting arrangements**

Title 2 of Part Six of the Withdrawal Agreement establishes a Joint Committee that will continuously monitor the implementation and application of this agreement. The Joint Committee is comprised of representatives of the Union and representatives of the United Kingdom who will meet at least once a year and will supervise and facilitate the implementation and application of the agreement, decide on the tasks of the specialised committees and supervise their work and make amendment to the Agreement where specifically provided for in the Agreement itself. The Joint Committee can only make its decisions and recommendations by agreement between the Union and the United Kingdom. It can in no way restrict the decision-making at Union level. The Union and the United Kingdom may, through the Joint Committee, decide to amend certain aspects of the Agreement, only in those cases where this is specifically provided therein. When the Parties approve such a decision, it has to be subject to their respective applicable internal requirements and procedures.

The following specialised committees will operate under the control of the Joint Committee, i.e. one sub-committee for each of the main parts of the Withdrawal Agreement:

- (a) the Committee on citizens' rights;
- (b) the Committee on the other separation provisions;
- (c) the Committee on issues related to the implementation of the Protocol on Ireland/Northern Ireland;
- (d) the Committee on issues related to the implementation of the Protocol relating to the Sovereign Base Areas in Cyprus;
- (e) the Committee on issues related to the implementation of the Protocol on Gibraltar; and
- (f) the Committee on the financial provisions.

The proposal also foresees a role for the Joint Committee in dispute settlement, which is addressed in Title 3 of Part Six of the Withdrawal Agreement.

##### **Implementation and application of the Withdrawal Agreement in the Union**

In accordance with Article 216(2) of the Treaty on the Functioning of the European Union, agreements concluded by the Union are binding upon the institutions of the Union and its Member States. The implementation and application of the Withdrawal Agreement in the Union should take place in full respect of the allocation of tasks between on the one hand the Union and its Member States and, on the other hand, between the different Union institutions. It would therefore be, by virtue of its tasks as laid down in Article 17(1) of the Treaty on European Union, mostly for the Commission to act on behalf of the Union and of the

Euratom. In certain cases, and in line with the Council's policy-making function as laid down in Article 16(1) TEU, the Council will act on behalf of the Union and of the Euratom.

For example, where the Agreement states that the Union shall provide the United Kingdom with particular **information or notifications**, this should in principle be done by the Commission on behalf of the Union, if necessary based on the information provided by the Member States or other institutions or relevant Union bodies or entities. The foregoing applies in particular to the following provisions of the Agreement:

- (a) Article 18(1)(c) : notification by the Union that technical problems prevent the host State either from registering the application or from issuing the certificate of application referred to in point (b) of that Article;
- (b) Article 33(2): notification by the Union of the date of entry into force of the agreements referred to in Article 33(1);
- (c) Article 36(1): information to be provided by the Union to the United Kingdom on new or amending relevant legislation pertaining to the social security provisions;
- (d) Article 36 (4): information to be provided by the Union to the United Kingdom in the Joint Committee on the proposals for adaptation of the relevant annex of the Agreement for the purposes of alignment with Decisions and Recommendations of the Administrative Commission on Social Security;
- (e) Article 55(3): communication by the Union to the United Kingdom of the information necessary for the registration or grant in the United Kingdom of the intellectual property rights referred to in Article 54(1) or (2);
- (f) Article 96(6): information by the Union at the request of the United Kingdom to comply with its reporting obligation under Article 7 of the Montreal Protocol on Substances that Deplete the Ozone Layer; and to apply penalties in accordance with Article 25 of Regulation (EU) No 517/2014 and Article 29 of Regulation (EC) No 1005/2009.
- (g) Article 102: notification by the Union to the United Kingdom when Union premises, buildings, property or assets are no longer in such use or have been removed from the United Kingdom;
- (h) Article 103: notification by the Union to the United Kingdom of the removal of any Union archives from the United Kingdom;
- (i) Article 116(3) : notification by the Union to the authorities of the status of any person which is relevant to that person's entitlement to a privilege or immunity under this Title;
- (j) Article 119: notification by the Union to the United Kingdom of the completion date of the relocation of the agencies;
- (k) Article 127(7) (b): notification by the Union to the United Kingdom when during the transition period the latter will not be considered a Member State for the purposes of an information exchange, procedure or programme which continues to be implemented or starts after the end of the transition period, and where such participation would grant access to security related sensitive information that only Member States are to have knowledge of;
- (l) Article 134: information to be provided by the Union to the relevant entrusted entities communicated by the United Kingdom;

- (m) Article 140(2) and (3): information to be provided by the Union to the United Kingdom on the amounts of outstanding commitments referred to in these provisions;
- (n) Article 142 (3), (4) and (5): information to be provided to the United Kingdom on the liabilities at the end of 2020 referred to in these provisions;
- (o) Article 143 (1) (b), (2), (3) and (4): reports and information to be provided by the Union to the United Kingdom on relevant contingent financial liabilities related to loans for financial assistance, EFSI, EFSD and the external lending mandate referred to in these provisions;
- (p) Article 144 (1): information to be provided by the Union to the United Kingdom concerning the financial instruments under direct or indirect implementation financed by the programmes of the MFF 2014-2020 or under earlier financial perspectives;
- (q) Article 147 (2): information to be provided by the Union to the United Kingdom regarding contingent liabilities related to legal cases;
- (r) Article 148 (2): information to be provided by the Union to the United Kingdom pursuant to this provision regarding payments after 2020;
- (s) Article 159 (2): annual information to be provided by the Union to the specialised Committee on citizens' rights;
- (t) Article 185: notification to the United Kingdom on behalf of the Union in respect of any Member State which has declared, in accordance with the provision that during the transition period, that Member State will not surrender its nationals pursuant to Framework Decision 2002/584/JHA.

In certain cases, the Withdrawal Agreement identifies another Union institution or body that has to transmit that information, for example:

- (a) Article 149: reimbursement by the European Central Bank of the paid-in capital; or
- (b) Article 150(4): reimbursement by the European Investment Bank of the paid-in capital.

Where the Agreement states that the Union may decide to invite the United Kingdom, during the transition period, to participate exceptionally in certain meetings of committees or expert groups or meetings of bodies, offices and agencies of the Union (i.e. Article 128(5) of the Agreement) or in international negotiation and consultation meetings (i.e. Article 129 (2) b) and Article 130 (3) of the Agreement), such **invitations** to the United Kingdom should in principle be done by the Commission on behalf of the Union. Where the meeting is organised by Union bodies, offices or agencies, it will be for those Union bodies, offices or agencies to send the appropriate invitations. Such invitations may only be issued provided that the conditions laid down in the Agreement are fulfilled. The Commission intends to issue guidance in this respect, so as to ensure consistent application of these provisions.

Where the Agreement states that the Union shall consult the United Kingdom during the transition period: such consultation should also be done by the Commission on behalf of the Union. This applies in particular to the following provisions of the Agreement:

- (a) Article 128(7): the obligation for the Union to consult the United Kingdom on draft Union acts which identify or refer directly to specific Member State authorities, procedures, or documents;

- (b) Article 129(5): possibility to consult the United Kingdom pursuant to that provision;
- (c) Article 130(1): the obligation for the Union to consult the United Kingdom on fishing opportunities relating to EU waters and outside EU waters pursuant to that provision;
- (d) Article 130(2): the obligation for the Union to provide the United Kingdom with an opportunity to provide comments pursuant to that provision.

It will also be for the Commission to agree with the United Kingdom on the **administrative arrangements** such as those referred to in Article 134 (administrative arrangements between the auditors of the Union and the United Kingdom to facilitate the audit process) or in Article 12 of the Protocol on Ireland/Northern Ireland (administrative arrangements necessary for the proper implementation of the state aid provisions of the Protocol).

The Commission will also act on behalf of the Union on all steps of the procedure regarding dispute settlement under Title III of Part VI of the Agreement.

- **Detailed explanation of the specific provisions of the proposal**

The Commission's draft text proposal for the Withdrawal Agreement consists of 185 Articles structured in six Parts (further divided into Titles and Chapters), three Protocols and nine Annexes, as follows:

**Part One** (Common Provisions) contains the common provisions of the Withdrawal Agreement (“the Agreement”), including definitions, the territorial scope of the Withdrawal Agreement, the methods and principles relating to the effect, the implementation and the application of the Agreement.

**Part Two** (Citizens’ Rights) sets out the provisions aimed at safeguarding the status and rights derived from Union law of EU and UK citizens, and their families, affected by the United Kingdom withdrawal. Part Two includes 4 titles: Title I (General provisions), Title II (Rights and obligations), Title III (Coordination of Social Security systems), and Title IV (Other provisions).

**Part Three** (Separation Provisions) sets out the provisions for other issues relating to the disentanglement of the United Kingdom from the Union. Part Three includes 13 titles: Title I (Goods placed on the market), Title II (Ongoing customs procedures), Title III (Ongoing value added tax and excise duty matters), Title IV (Intellectual property), Title V (Ongoing police and judicial cooperation in criminal matters), Title VI (Ongoing judicial cooperation in civil and commercial matters), Title VII (Data and information processed or obtained before the date of entry into force, or on the basis of this Agreement), Title VIII (Ongoing public procurement and similar procedures), Title IX (Euratom related issues), Title X (Union judicial and administrative procedures), Title XI (Administrative cooperation procedures between Member States and the United Kingdom), Title XII (Privileges and immunities) and Title XIII (Other issues relating to the functioning of the institutions, bodies, offices and agencies of the Union).

**Part Four** (Transition) sets out a transition period during which the whole EU acquis will apply to the United Kingdom, with some exceptions. During transition, the United Kingdom will no longer be represented in the Union institutions, nor participate in the decision-shaping and decision-making process of the Union. Furthermore, Part Four establishes the transitional arrangements applicable to United Kingdom with regard to the international agreements concluded by the Union, or by Member States acting on its behalf, or by the Union and its Member States acting jointly. In accordance with Article 129, the United Kingdom will be



bound by the obligations stemming from those agreements. Article 130 provides for a consultation mechanism for the fixing of fishing opportunities of the United Kingdom for the transition period. Article 131 will ensure that the full competence of all Union institutions will be preserved in relation to the United Kingdom, including the competence of the Court of Justice of the European Union. Article 132 provides for the possibility of adopting a single decision extending the transition period for up to 1 or 2 years.

**Part Five** (Financial provisions) lays down detailed rules on the financial settlement, including detailed rules on the components of the financial settlement as well as the rules for the calculation of the value of the financial settlement and payment modalities. Rules are also set for the arrangements for continued participation of the United Kingdom in the programmes of the current Multiannual Financial Framework (MFF) until their closure.

**Part Six** (Institutional and final provisions) sets out rules for the consistent interpretation and application of the Agreement and establishes a Joint Committee as well as a dispute settlement mechanism. This Part contains also a best endeavours obligation on Parties to try to reach agreement on their future relationship before the end of the transition period, as well as the provisions on the entry into force of the Agreement

The **protocol on Ireland/Northern Ireland** and its 10 Annexes include the provisions necessary for the so-called “backstop” solution for avoiding a hard border between Ireland and Northern Ireland. This will apply unless and until it is superseded, in whole or in part, by any subsequent agreement. The Protocol creates a single EU-UK customs territory. This will avoid the need for tariffs, quotas or checks on rules of origin between the EU and the UK. It also foresees a set of measures to ensure that there is a level playing field between the EU and the UK. Furthermore, the Protocol ensures that the Union's Customs Code (UCC), setting out, inter alia, the provisions for releasing products into free circulation within the EU, will continue to apply to Northern Ireland. This will ensure that Northern Irish businesses will not face restrictions when placing products on the EU's Single Market. The Protocol also foresees that the United Kingdom in respect of Northern Ireland will remain aligned to a limited set of rules that are related to the EU's Single Market and indispensable for avoiding a hard border: legislation on goods, sanitary and phytosanitary rules (“SPS rules”), rules on agricultural production, VAT and excise, and state aid rules. There are also provisions maintaining the Single Electricity Market on the island of Ireland. Pursuant to the Protocol, the Common Travel Area between Ireland and the United Kingdom and its associated rights and privileges will continue to apply in conformity with EU law, in particular on free movement of EU citizens. North-South cooperation will also continue as set out in the Protocol, including in the areas of environment, health, agriculture, transport, education and tourism, as well as in the areas of energy, telecommunications, broadcasting, inland fisheries, justice and security, higher education and sport.

The Withdrawal Agreement also includes a **protocol relating to the Sovereign Base Areas of the United Kingdom in Cyprus** (the protocol on the SBAs). Since the relations between the Union and the Sovereign Base Areas in Cyprus are to be defined against the background of the Republic of Cyprus' membership of the Union, the protocol on the SBAs should establish appropriate mechanisms to achieve, after the withdrawal of the United Kingdom from the Union, the objectives of the arrangements set out in Protocol 3 to the Act of Accession of the Republic of Cyprus to the Union. As outlined in the Joint Statement of 19 June 2018, both the Union and the United Kingdom committed to establishing appropriate arrangements for the Sovereign Base Areas, "in particular with the aim to protect the interests of Cypriots who live and work in the SBAs following the UK's withdrawal from the Union, in full respect of the rights and obligations under the Treaty of Establishment." The Union and the United Kingdom have agreed on the terms of a Protocol which will give effect to this and

which is annexed to the Withdrawal Agreement. The aim of the Protocol is to ensure that EU law, in the areas stipulated in Protocol 3 to Cyprus's Act of Accession, will continue to apply in the Sovereign Base Areas, with no disruption or loss of rights especially for the approximately 11,000 Cypriot civilians living and working in the areas of the SBAs. This applies to a number of policy areas such as taxation, goods, agriculture, fisheries and veterinary and phytosanitary rules. The Protocol confers responsibility on the Republic of Cyprus for the implementation and enforcement of Union law in relation to most of the areas covered, with the exception of security and military affairs.

Finally, the Withdrawal Agreement includes a **protocol on Gibraltar** addressing the specific issues that the withdrawal of the United Kingdom from the Union creates in relation to Gibraltar. The European Council guidelines of 29 April 2017 set out that "no agreement between the EU and the United Kingdom may apply to the territory of Gibraltar without the agreement between the Kingdom of Spain and the United Kingdom." This has been recalled in the Council supplementary negotiating directives of 29 January 2018 and in the European Council guidelines of 14 March 2018. In the statements to the minutes of the European Council meeting of 25 November 2018, the following declaration of the European Council and of the Commission has been included: "After the United Kingdom leaves the Union, Gibraltar will not be included in the territorial scope of the agreements to be concluded between the Union and the United Kingdom. However, this does not preclude the possibility to have separate agreements between the Union and the United Kingdom in respect of Gibraltar. Without prejudice to the competences of the Union and in full respect of the territorial integrity of its Member States as guaranteed by Article 4(2) of the Treaty on European Union, those separate agreements will require a prior agreement of the Kingdom of Spain". Moreover, at the same occasion, the European Council and the Commission have issued an interpretative declaration relating to the Article 184 of the Withdrawal Agreement and territorial scope of future agreements.

Bilateral negotiations between Spain and the United Kingdom have now concluded. A Protocol referring to these bilateral arrangements is annexed to the Withdrawal Agreement. The Protocol forms a package with bilateral memoranda of understanding between Spain and the United Kingdom in respect of Gibraltar. This concerns bilateral cooperation on citizens' rights, tobacco and other products, environment, police and customs matters, as well as a bilateral agreement in relation to taxation and the protection of financial interests. On citizens' rights, the Protocol establishes the basis for administrative cooperation between the competent authorities for the implementation of the Withdrawal in relation to people living in the Gibraltar area, and in particular frontier workers. On air transport law, it establishes the possibility, in case of an agreement between Spain and the United Kingdom on the use of the Gibraltar airport, to make applicable to Gibraltar during the transition the Union legislation previously not applicable there. On fiscal matters and protection of financial interests, the Protocol establishes the basis for administrative cooperation between the competent authorities for achieving full transparency in tax matters, fighting against fraud, smuggling, and money laundering. The United Kingdom also commits that international standards in this area are complied with in Gibraltar. In relation to tobacco, the United Kingdom commits to ratify certain conventions in respect of Gibraltar and to put in place before 30 June 2020 a system of traceability and security measures on cigarettes. In respect of alcohol and petrol, the United Kingdom commits to ensure that a tax system which aims at preventing fraud is in force in Gibraltar. On environment protection and fishing and cooperation in police and customs matters, the Protocol establishes the basis for administrative cooperation between the competent authorities. A specialised committee is also established for overseeing the application of this Protocol.

The Agreement also includes the following annexes:

- Annex I on Social Security coordination
- Annex II on the provisions of Union law referred to in Article 41(4);
- Annex III on Time limits for the situations or customs procedures referred to in Article 49 (1)
- Annex IV on the list of networks, information systems and databases referred in Articles 50, 53, 99 and 100;
- Annex V on EURATOM;
- Annex VI on the list of administrative cooperation procedures referred to in Article 98;
- Annex VII on the List of acts/provisions referred to in Article 128(6)
- Annex VIII on the rules of procedure of the Joint Committee and specialised committees
- Annex IX on rules of procedure for dispute settlement;

The Agreement shall enter into force on 30 March 2019.

Proposal for a

## **COUNCIL DECISION**

### **on the conclusion of 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**

(Text with EEA relevance)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on European Union, and in particular Article 50(2),

Having regard to the Treaty establishing the European Atomic Energy Community, and in particular Article 106a,

Having regard to the proposal from the European Commission,

Having regard to the consent of the European Parliament,

Having regard to the opinion of the European Central Bank,

Whereas:

- (1) In accordance with Council Decision No (EU, Euratom) ..., 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 (hereinafter 'the Agreement') was signed on ....
- (2) The Agreement should be approved on behalf of the European Union and the European Atomic Energy Community.
- (3) Any references to Union in this decision should be understood as including the European Atomic Energy Community.
- (4) On the date of entry into force of the Agreement, the mandates of all members of institutions, bodies and agencies of the Union nominated, appointed or elected in relation to the United Kingdom's membership of the Union end automatically as a result of the withdrawal.
- (5) It is appropriate to define the modalities of the Union's representation in the Joint Committee established by the Agreement. Where the Joint Committee is empowered by the Agreement to adopt acts having legal effects, including for the purposes of modifying the Agreement on non-essential elements, the positions to be taken on the Union's behalf in the Joint Committee are to be established in accordance with the procedure set out in Article 218(9) of the Treaty on the Functioning of the European Union.
- (6) Where the Union position to be taken in the Joint Committee relates to the extension of the transition period or the review of the Protocol on Ireland/Northern Ireland, the Council will act in accordance with European Council guidelines. Any decision on the

extension of the transition period will take into account the fulfilment of obligations under the Agreement, including its Protocols.

- (7) Whenever the Union is required to act in order to comply with the provisions of the Agreement, such action is to be taken in accordance with the provisions of the Treaties while respecting the limits of powers conferred upon each institution. It is therefore for the Commission to provide the United Kingdom with the information or notifications required in the Agreement, except where the Agreement refers to other specific institutions, bodies, offices and agencies of the Union, to consult the United Kingdom on specific matters, to invite United Kingdom representatives to attend, as part of the Union delegation, international consultation or negotiation meetings or to represent the Union before an arbitration panel, where a dispute is submitted to arbitration in accordance with Article 170 of the Agreement. In compliance with the duty of sincere cooperation referred to in Article 4(3) of the Treaty on European Union, the Commission should inform the Council of any such dispute. It is for the same reason that it should be for the Commission to agree with the United Kingdom on the administrative arrangements such as those referred to in Article 134 of the Agreement.
- (8) In its statement for the minutes of the Council meeting of 29 January 2018, the Commission indicated that it will issue, after consulting the Council, a guidance document on a consistent application of Article 128(5) of the Agreement.
- (9) Pursuant to Article 129(4) of the Agreement, during the transition period, the United Kingdom may negotiate, sign and ratify international agreements entered into in its own capacity in the areas of exclusive competence of the Union provided those agreements do not enter into force or apply during the transition period, unless so authorised by the Union. It is necessary to set out the conditions and procedure for granting such authorisations. Given the political significance of decisions granting such authorisations, it is appropriate to confer the power to adopt them on the Council by means of implementing acts, acting on a proposal from the Commission.
- (10) The Agreement addresses in separate protocols the very specific situations of Ireland/Northern Ireland, of the Sovereign Base Areas of the United Kingdom in Cyprus and of Gibraltar. Given the possible need for Ireland, the Republic of Cyprus and the Kingdom of Spain, respectively, to enter into such bilateral agreements with the United Kingdom as may be necessary for the proper functioning of the arrangements provided for in these specific protocols, it is necessary to set out a conditions and procedure for authorising the respective Member State to negotiate and conclude such bilateral agreements where these concern areas of exclusive Union competence. Given the political significance of decisions granting such authorisations, it is appropriate to confer the power to adopt them on the Council by means of implementing acts, acting on a proposal from the Commission.
- (11) Article 18(1) and (4) of the Agreement provide for the obligation on the host Member States to issue United Kingdom nationals, their respective family members and other persons who fall within the scope of Title II of Part Two of the Agreement a document evidencing their residence status in accordance with the Agreement. Article 26 of the Agreement provides for the obligation on the Member State of work to issue United Kingdom nationals who have rights as frontier workers under the Agreement a document certifying the status of frontier worker under the Agreement. In order to ensure uniform conditions for the implementation of these provisions within the Union with the aim of facilitating the recognition of such documents, notably by border control authorities, and preventing falsification and counterfeiting through high-level

security features, implementing powers should be conferred on the Commission to establish the validity period and format, including technical specifications, as well as the common statement that documents issued under Articles 18 and 26 of the Agreement should have, indicating that they were issued in accordance with the Agreement. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council.<sup>2</sup> For this purpose, the Commission should be assisted by the Committee established by Article 6 of Council Regulation (EC) No 1683/95.<sup>3</sup> If need be, such implementing acts may be protected by all appropriate measures preventing the risk of counterfeiting and falsification. In that case they should be made available only to the bodies designated by the Member States as responsible for the printing and to persons duly authorised by a Member State or the Commission. Such implementing acts should be without prejudice to any special arrangements that Ireland may, by virtue of the Agreement, make with the United Kingdom relating to the movement of persons in the Common Travel Area.

- (12) Article 4(1) and Article 13 of Annex 3 of the Protocol on Ireland/Northern Ireland stipulates that the Union shall set out the specimen and explanatory notes for the A. UK. Movement Certificate and, respectively, the specimen for the label to be affixed on the postal consignments referred to therein. Such specimens are necessary to be used as documentary evidence that a good is within the scope of Annex 2 of the Protocol on Ireland/Northern Ireland. For that purpose, implementing powers should be conferred on the Commission to establish the format of these specimens and explanatory notes, including technical specifications. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council. For this purpose, the Commission should be assisted by the Customs Code Committee established by Article 285 of Regulation (EU) No 952/2013 of the European Parliament and of the Council<sup>4</sup>.
- (13) As provided for in Article 50(4) of the Treaty on European Union, the United Kingdom is not taking part in the discussions of the Council concerning this decision nor in its adoption,

HAS ADOPTED THIS DECISION:

#### *Article 1*

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 ("Agreement") is hereby approved on behalf of the Union and of the European Atomic Energy Community.

Any references to Union in this decision shall be understood as including the European Atomic Energy Community.

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<sup>2</sup> Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers (OJ L 55, 28.2.2011, p. 13).

<sup>3</sup> Council Regulation (EC) No 1683/95 of 29 May 1995 laying down a uniform format for visas (OJ L 164, 14.7.1995, p. 1).

<sup>4</sup> Regulation (EU) No 952/2013 of the European Parliament and of the Council of 9 October 2013 laying down the Union Customs Code (OJ L 269, 10.10.2013, p. 1).

## *Article 2*

1. The Commission shall represent the Union within the Joint Committee, and its specialised committees provided for in Articles 164 and 165 of the Agreement, as well as in any further specialised committee as may be established in accordance with Article 164(2)(b).
- 1.1. Ireland, the Republic of Cyprus and the Kingdom of Spain, respectively, may request that the Commission representative be accompanied by:
  - (a) a representative of Ireland in the meetings of the specialised committee on issues related to the implementation of the Protocol on Ireland/Northern Ireland;
  - (b) a representative of the Republic of Cyprus in the meetings of the specialised committee on issues related to the implementation of the Protocol relating to the Sovereign Base Areas in Cyprus;
  - (c) a representative of the Kingdom of Spain in the meetings of the specialised committee on issues related to the implementation of the Protocol on Gibraltar.
2. The Commission shall ensure that the Council is informed of the meeting schedule and the agendas referred to in Article 164(2), Article 165(2) and (4) and Annex VIII sufficiently in advance to allow for the necessary information, consultation and decision-making in the Council. The Council shall also be informed about the outcome of the meetings of the Joint Committee.
3. During the first five years after the entry into force of the Agreement, the Commission shall report annually to the European Parliament and to the Council on the implementation and application of the Agreement, in particular of its Part Two.

## *Article 3*

1. The Council may authorise the United Kingdom to express its consent, in its own capacity, to be bound by an international agreement intended to enter into force or be applied during the transition period, in an area of exclusive competence of the Union. Such authorisation may only be granted if:
  - (a) the United Kingdom has demonstrated a specific interest that the international agreement in question enters into force or applies already during the transition period;
  - (b) the international agreement in question is compatible with Union law applicable to and in the United Kingdom in accordance with Article 127 of the Agreement and with the obligations referred to in Article 129(1) of the Agreement; and
  - (c) the entry into force or application during the transition period of the international agreement in question would neither put at risk the attainment of an objective of the Union's external action in the area concerned nor be otherwise prejudicial to the Union's interests.
2. An authorisation granted pursuant to paragraph 1 may be conditional upon the inclusion in or removal from the agreement in question of any provision or upon the suspension of the application of any provision of that agreement, where necessary to ensure the consistency with the conditions set out in paragraph 1.

3. The United Kingdom shall notify the Commission of its intention to express its consent, in its own capacity, to be bound by an international agreement intended to enter into force or be applied during the transition period, in an area of exclusive competence of the Union. The Commission shall promptly inform the Council of any notification by the United Kingdom of the latter's intention to express its consent, in its own capacity, to be bound by the international agreement in question.
4. The Council shall adopt the decisions referred to in paragraph 1 by means of implementing acts, on a proposal from the Commission. The Commission's proposal shall include an assessment as to whether the conditions referred to in paragraph 1 are fulfilled. If information provided by the United Kingdom is not sufficient for the assessment, the Commission may request additional information.
5. The Council shall inform the European Parliament of any decision taken pursuant to paragraph 1.

#### *Article 4*

1. On a duly justified request from Ireland, the Republic of Cyprus or the Kingdom of Spain, respectively, the Council may authorise these Member States to negotiate bilateral agreements with the United Kingdom in areas of exclusive competence of the Union. Such authorisation may only be granted if:
  - (a) the Member State concerned provided information showing that the agreement in question is necessary for the proper functioning of the arrangements set out, respectively, in the Protocol on Ireland/Northern Ireland, the Protocol relating to the Sovereign Base Areas of the United Kingdom of Great Britain and Northern Ireland in Cyprus and the Protocol on Gibraltar and complies with the principles and objectives of the Agreement;
  - (b) on the basis of the information provided by the Member State, it appears that the envisaged agreement is compatible with Union law; and
  - (c) the envisaged agreement would neither put at risk the attainment of an objective of the Union's external action in the area concerned nor be otherwise prejudicial to the Union's interests.
2. An authorisation granted pursuant to paragraph 1 may be conditional upon the inclusion in or removal from the agreement in question of any provision or upon the suspension of the application of any provision of that agreement, where necessary to ensure the consistency with the conditions set out in paragraph 1.
3. The Member State concerned shall notify the Commission of its intention to enter into negotiations with the United Kingdom. The Commission shall promptly inform the Council thereof. The Member State concerned shall provide the Commission with all the information necessary to assess whether the conditions set out in paragraph 1 are fulfilled.
4. The Commission shall be invited by the Member State concerned to closely follow the negotiations.
5. Before signing the bilateral agreement, the Member State concerned shall notify the Commission of the outcome of negotiations and shall transmit the text of the prospective agreement to the Commission which shall promptly inform the Council. The Member State concerned may only express its consent to be bound by the bilateral agreement in question provided that the Council has authorised it to do so.



6. The Council shall adopt the decisions referred to in paragraphs 1 and 5 by means of implementing acts, on a proposal from the Commission.  
The Commission's proposal shall include an assessment as to whether the conditions set out in paragraph 1 and referred to in paragraph 2 are fulfilled. If information provided by the Member State concerned is not sufficient for the assessment, the Commission may request additional information.
7. When the Council grants an authorisation pursuant to paragraphs 1 and 5, the Member State concerned shall notify the Commission of the entry into force of the bilateral agreement concerned, as well as any subsequent changes concerning the status of the agreement.
8. The Council shall inform the European Parliament of the decisions taken pursuant to paragraph 1 and 5.

#### *Article 5*

The Commission shall lay down the period of validity and format, including security features and common statement, of documents that Member States shall issue pursuant to Article 18(1) and (4) and Article 26 of the Agreement. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 7.

#### *Article 6*

The Commission shall specify the format and explanatory notes, including technical specifications of the specimens referred to in Article 4(1) and Article 13 of the Annex 3 to the Protocol on Ireland/Northern Ireland to the Agreement. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 7.

#### *Article 7*

1. The Commission shall be assisted by:
  - (a) the Committee established by Article 6 of Regulation (EC) No. 1683/95 for the adoption of implementing acts referred to in Article 5;
  - (b) the Customs Code Committee established by Article 285 of Regulation (EU) No 952/2013 for the adoption of implementing acts referred to in Article 6.Those committees shall be committees within the meaning of Regulation (EU) No 182/2011.
2. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.

#### *Article 8*

The President of the Council is hereby authorised to designate the person(s) empowered to deposit, on behalf of the Union, the notification provided for in Article 185 of the Agreement.

*Article 9*

This Decision shall enter into force on the date of its adoption.

Done at Brussels,

*For the Council  
The President*

## **LEGISLATIVE FINANCIAL STATEMENT**

### **1. FRAMEWORK OF THE PROPOSAL/INITIATIVE**

1.1. Title of the proposal/initiative

1.2. Policy area(s) concerned

1.3. The proposal/initiative relates to

1.4. Objective(s)

*1.4.1. General objective(s)*

*1.4.2. Specific objective(s)*

*1.4.3. Expected result(s) and impact*

*1.4.4. Indicators of performance*

1.5. Grounds for the proposal/initiative

*1.5.1. Requirement(s) to be met in the short or long term including a detailed timeline for roll-out of the implementation of the initiative*

*1.5.2. Added value of Union involvement (it may result from different factors, e.g. coordination gains, legal certainty, greater effectiveness or complementarities). For the purposes of this point 'added value of Union involvement' is the value resulting from Union intervention which is additional to the value that would have been otherwise created by Member States alone.*

*1.5.3. Lessons learned from similar experiences in the past*

*1.5.4. Compatibility with the Multiannual Financial Framework and possible synergies with other appropriate instruments*

*1.5.5. Assessment of the different available financing options, including scope for redeployment*

1.6. Duration and financial impact of the proposal/initiative

1.7. Management mode(s) planned

## **2. MANAGEMENT MEASURES**

2.1. Monitoring and reporting rules

2.2. Management and control system(s)

*2.2.1. Justification of the management mode(s), the funding implementation mechanism(s), the payment modalities and the control strategy proposed*

*2.2.2. Information concerning the risks identified and the internal control system(s) set up to mitigate them*

*2.2.3. Estimation and justification of the cost-effectiveness of the controls (ratio of "control costs ÷ value of the related funds managed"), and assessment of the expected levels of risk of error (at payment & at closure)*

2.3. Measures to prevent fraud and irregularities

## **3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE**

3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected

3.2. Estimated financial impact of the proposal on appropriations

*3.2.1. Summary of estimated impact on operational appropriations*

*3.2.2. Estimated output funded with operational appropriations*

*3.2.3. Summary of estimated impact on administrative appropriations*

*3.2.4. Compatibility with the current multiannual financial framework*

*3.2.5. Third-party contributions*

3.3. Estimated impact on revenue

## LEGISLATIVE FINANCIAL STATEMENT

### 1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

#### 1.1. Title of the proposal/initiative

Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community

#### 1.2. Policy area(s) concerned

25 – Commission's policy coordination and legal advice

#### 1.3. The proposal/initiative relates to:

- a new action
- a new action following a pilot project/preparatory action<sup>5</sup>
- the extension of an existing action
- a merger or redirection of one or more actions towards another/a new action

#### 1.4. Objective(s)

##### 1.4.1. General objective(s)

The agreement is based on the Article 50(2) of the TEU. In accordance with the guidelines of the European Council (Article 50) of 29 April 2017, the withdrawal agreement aims at

- providing clarity and legal certainty with respect to situations created by the United Kingdom's withdrawal from the Union for citizens but also for businesses, stakeholders and international partners,
- protecting citizens who have built their lives on the basis of rights flowing from the United Kingdom's membership to the Union;
- settling the disentanglement of the United Kingdom from the Union and from all the rights and obligations the United Kingdom derives from commitments undertaken as Member State,
- defining time-limited transitional arrangements which are in the interest of the Union,
- ensuring that the Union and the United Kingdom both respect the financial obligations resulting from the whole period of the UK membership in the Union
- providing for effective management, implementation and enforcement of the agreement, including through institutional structures and an effective dispute settlement mechanism preserving the role of the Court of Justice of the European Union as the ultimate arbiter on matters of Union law,
- continuing to support the goal of peace and reconciliation enshrined in the Good Friday Agreement in all its parts, and to support and protect the

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<sup>5</sup> As referred to in Article 58(2)(a) or (b) of the Financial Regulation.

achievements, benefits and commitments of the Peace Process in the island of Ireland

- protecting the interests of Cypriots who live and work in the Sovereign Base Areas and ensuring no disruption and loss of rights after the United Kingdom's withdrawal,
- providing for close cooperation between Spain and the United Kingdom in respect of Gibraltar on the implementation of the Withdrawal Agreement, and in particular the citizens' rights part, and in a number of other policy areas.

1.4.2. *Specific objective(s)*

Specific objective(s)

N/a

1.4.3. *Expected result(s) and impact*

*Specify the effects which the proposal/initiative should have on the beneficiaries/groups targeted.*

The Withdrawal agreement between the Union and the UK will bring reassurance to European citizens, business and international partners that there will be no disorderly and uncontrolled withdrawal of the United Kingdom from the Union.

The only budgetary impact of the Withdrawal agreement results from establishment of the Joint Committee, composed of representatives of the Union and of the United Kingdom. The Joint Committee will supervise and facilitate the implementation and application of the Withdrawal agreement, decide on the tasks of the specialized committees and supervise their work and make amendment to the Agreement where specifically provided for in the Agreement itself. The Agreement also foresees a role for the Joint Committee in dispute settlement, which is addressed in Title 3 of Part Six of the Withdrawal Agreement.

The Joint Committee will meet at least once a year, at the request of either party. The following specialized committees will operate under the control of the Joint Committee, i.e. one sub-committee for each of the main parts of the Withdrawal Agreement:

- (a) the Committee on citizens' rights;
- (b) the Committee on the other separation provisions;
- (c) the Committee on issues related to the implementation of the Protocol on Ireland/Northern Ireland;
- (d) the Committee on issues related to the implementation of the Protocol relating to the Sovereign Base Areas in Cyprus;
- (e) the Committee on issues related to the implementation of the Protocol on Gibraltar; and
- (f) the Committee on the financial provisions.

1.4.4. *Indicators of performance*

*Specify the indicators for monitoring progress and achievements.*

N/a

## **1.5. Grounds for the proposal/initiative**

*1.5.1. Requirement(s) to be met in the short or long term including a detailed timeline for roll-out of the implementation of the initiative*

Ensure the orderly withdrawal of the UK from the Union.

*1.5.2. Added value of Union involvement (it may result from different factors, e.g. coordination gains, legal certainty, greater effectiveness or complementarities). For the purposes of this point 'added value of Union involvement' is the value resulting from Union intervention which is additional to the value that would have been otherwise created by Member States alone.*

An orderly withdrawal of the United Kingdom from the Union is in the interest of both the Union and the United Kingdom, in particular by providing legal certainty to citizens and companies on both sides of the Channel. The Withdrawal agreement is necessary to mitigate any negative effects on the European economy and the Union budget, protect the rights of the European citizens living and working in the United Kingdom, as well as safeguard the goal of peace and reconciliation in the island of Ireland, as enshrined in the Good Friday Agreement.

1.5.3. *Lessons learned from similar experiences in the past*

N/a

1.5.4. *Compatibility with the Multiannual Financial Framework and possible synergies with other appropriate instruments*

N/a

1.5.5. *Assessment of the different available financing options, including scope for redeployment*

N/a

**1.6. Duration and financial impact of the proposal/initiative**

**limited duration**

- in effect from [DD/MM]YYYY to [DD/MM]YYYY
- Financial impact from YYYY to YYYY for commitment appropriations and from YYYY to YYYY for payment appropriations.

**unlimited duration**

- Implementation with a start-up period from YYYY to YYYY,
- followed by full-scale operation.

**1.7. Management mode(s) planned<sup>6</sup>**

**Direct management** by the Commission

- by its departments, including by its staff in the Union delegations;
- by the executive agencies

**Shared management** with the Member States

**Indirect management** by entrusting budget implementation tasks to:

- third countries or the bodies they have designated;
- international organisations and their agencies (to be specified);
- the EIB and the European Investment Fund;
- bodies referred to in Articles 70 and 71 of the Financial Regulation;
- public law bodies;
- bodies governed by private law with a public service mission to the extent that they provide adequate financial guarantees;
- bodies governed by the private law of a Member State that are entrusted with the implementation of a public-private partnership and that provide adequate financial guarantees;

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<sup>6</sup> Details of management modes and references to the Financial Regulation may be found on the BudgWeb site:

<https://myintracomm.ec.europa.eu/budgweb/EN/man/budgmanag/Pages/budgmanag.aspx>



- persons entrusted with the implementation of specific actions in the CFSP pursuant to Title V of the TEU, and identified in the relevant basic act.
- *If more than one management mode is indicated, please provide details in the 'Comments' section.*

Comments

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**2. MANAGEMENT MEASURES**

**2.1. Monitoring and reporting rules**

*Specify frequency and conditions.*

The Joint Committee will issue an annual report on the functioning of the Agreement.

**2.2. Management and control system(s)**

*2.2.1. Justification of the management mode(s), the funding implementation mechanism(s), the payment modalities and the control strategy proposed*

N/a

*2.2.2. Information concerning the risks identified and the internal control system(s) set up to mitigate them*

N/a

*2.2.3. Estimation and justification of the cost-effectiveness of the controls (ratio of "control costs ÷ value of the related funds managed"), and assessment of the expected levels of risk of error (at payment & at closure)*

N/a

**2.3. Measures to prevent fraud and irregularities**

*Specify existing or envisaged prevention and protection measures, e.g. from the Anti-Fraud Strategy.*

### 3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

#### 3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected

- Existing budget lines

*In order of multiannual financial framework headings and budget lines.*

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number 5 [Heading Administration]	Diff./Non-diff. <sup>7</sup>	from EFTA countries <sup>8</sup>	from candidate countries <sup>9</sup>	from third countries	within the meaning of Article 21(2)(b) of the Financial Regulation
	XX 01 01 01 Expenditure related to officials and temporary staff working with the Institution.	Non-diff.	NO	NO	NO	NO
	XX 01 02 11 01 Mission and representation expenses	Non-diff.	NO	NO	NO	NO

- New budget lines requested

*In order of multiannual financial framework headings and budget lines.*

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number [...][Heading..... .....]	Diff./Non-diff.	from EFTA countries	from candidate countries	from third countries	within the meaning of Article 21(2)(b) of the Financial Regulation
	[...][XX.YY.YY.YY]		YES/N O	YES/N O	YES/N O	YES/NO

<sup>7</sup> Diff. = Differentiated appropriations / Non-diff. = Non-differentiated appropriations.

<sup>8</sup> EFTA: European Free Trade Association.

<sup>9</sup> Candidate countries and, where applicable, potential candidates from the Western Balkans.

### 3.2. Estimated financial impact of the proposal on appropriations

#### 3.2.1. Summary of estimated impact on operational appropriations

- The proposal/initiative does not require the use of operational appropriations
- The proposal/initiative requires the use of operational appropriations, as explained below:

EUR million (to three decimal places)

Heading of multiannual financial framework	Number
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DG: <.....>			Year N <sup>10</sup>	Year N+1	Year N+2	Year N+3	Enter as many years as necessary to show the duration of the impact (see point 1.6)			TOTAL
• Operational appropriations										
Budget line <sup>11</sup>	Commitments	(1a)								
	Payments	(2a)								
Budget line	Commitments	(1b)								
	Payments	(2b)								
Appropriations of an administrative nature financed from the envelope of specific programmes <sup>12</sup>										
Budget line		(3)								
<b>TOTAL appropriations</b>	Commitments	=1a+1b +3								

<sup>10</sup> Year N is the year in which implementation of the proposal/initiative starts. Please replace "N" by the expected first year of implementation (for instance: 2021). The same for the following years.

<sup>11</sup> According to the official budget nomenclature.

<sup>12</sup> Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former 'BA' lines), indirect research, direct research.

<b>for DG &lt;.....&gt;</b>	Payments	=2a+2b +3								
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• TOTAL operational appropriations	Commitments	(4)								
	Payments	(5)								
• TOTAL appropriations of an administrative nature financed from the envelope for specific programmes		(6)								
<b>TOTAL appropriations under HEADING &lt;....&gt; of the multiannual financial framework</b>	Commitments	=4+ 6								
	Payments	=5+ 6								

**If more than one operational heading is affected by the proposal / initiative, repeat the section above:**

• TOTAL operational appropriations (all operational headings)	Commitments	(4)								
	Payments	(5)								
TOTAL appropriations of an administrative nature financed from the envelope for specific programmes (all operational headings)		(6)								
<b>TOTAL appropriations under HEADINGS 1 to 4 of the multiannual financial framework (Reference amount)</b>	Commitments	=4+ 6								
	Payments	=5+ 6								

<b>Heading of multiannual financial framework</b>	<b>5</b>	‘Administrative expenditure’
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This section should be filled in using the 'budget data of an administrative nature' to be firstly introduced in the [Annex to the Legislative Financial Statement](#) (Annex V to the internal rules), which is uploaded to DECIDE for interservice consultation purposes.

EUR million (to three decimal places)

		Year N	Year N+1	Year N+2	Year N+3	Enter as many years as necessary to show the duration of the impact (see point 1.6)			TOTAL
DG: SG (and potentially SJ, ...)									
• Human resources		286 000	286 000	286 000	286 000				
• Other administrative expenditure		2 000	2 000	2 000	2 000				
<b>TOTAL DG</b>									
Appropriations		288 000	288 000	288 000	288 000				

<b>TOTAL appropriations under HEADING 5 of the multiannual financial framework</b>	(Total commitments = Total payments)	288 000	288 000	288 000	288 000				
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EUR million (to three decimal places)

		Year N <sup>13</sup>	Year N+1	Year N+2	Year N+3	Enter as many years as necessary to show the duration of the impact (see point 1.6)			TOTAL
<b>TOTAL appropriations</b>	Commitments	288 000	288 000	288 000	288 000				

<sup>13</sup> Year N is the year in which implementation of the proposal/initiative starts. Please replace "N" by the expected first year of implementation (for instance: 2021). The same for the following years.

<b>under HEADINGS 1 to 5</b> of the multiannual financial framework	Payments	288 000	288 000	288 000	288 000				
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### 3.2.2. Estimated output funded with operational appropriations

Commitment appropriations in EUR million (to three decimal places)

Indicate objectives and outputs ↓			Year N		Year N+1		Year N+2		Year N+3		Enter as many years as necessary to show the duration of the impact (see point 1.6)						TOTAL	
	OUTPUTS																	
	Type <sup>14</sup>	Average cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	Total No	Total cost
SPECIFIC OBJECTIVE No 1 <sup>15</sup> ...																		
- Output																		
- Output																		
- Output																		
Subtotal for specific objective No 1																		
SPECIFIC OBJECTIVE No 2 ...																		
- Output																		
Subtotal for specific objective No 2																		
<b>TOTALS</b>																		

<sup>14</sup> Outputs are products and services to be supplied (e.g.: number of student exchanges financed, number of km of roads built, etc.).

<sup>15</sup> As described in point 1.4.2. 'Specific objective(s)...'

### 3.2.3. Summary of estimated impact on administrative appropriations

- The proposal/initiative does not require the use of appropriations of an administrative nature
- The proposal/initiative requires the use of appropriations of an administrative nature, as explained below:

EUR million (to three decimal places)

	Year N <sup>16</sup>	Year N+1	Year N+2	Year N+3	Enter as many years as necessary to show the duration of the impact (see point 1.6)			TOTAL
--	----------------------	----------	----------	----------	---	--	--	-------

<b>HEADING 5 of the multiannual financial framework</b>								
Human resources	286 000	286 000	286 000	286 000				
Other administrative expenditure	2 000	2 000	2 000	2 000				
<b>Subtotal HEADING 5 of the multiannual financial framework</b>	<b>288 000</b>	<b>288 000</b>	<b>288 000</b>	<b>288 000</b>				

<b>Outside HEADING 5<sup>17</sup> of the multiannual financial framework</b>								
Human resources								
Other expenditure of an administrative nature								
<b>Subtotal outside HEADING 5 of the multiannual financial framework</b>								

<b>TOTAL</b>	<b>288 000</b>	<b>288 000</b>	<b>288 000</b>	<b>288 000</b>				
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The appropriations required for human resources and other expenditure of an administrative nature will be met by appropriations from the DG that are already assigned to management of the action and/or have been redeployed within the DG, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

<sup>16</sup> Year N is the year in which implementation of the proposal/initiative starts. Please replace "N" by the expected first year of implementation (for instance: 2021). The same for the following years.

<sup>17</sup> Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former 'BA' lines), indirect research, direct research.



### 3.2.3.1. Estimated requirements of human resources

- The proposal/initiative does not require the use of human resources.
- The proposal/initiative requires the use of human resources, as explained below:

*Estimate to be expressed in full time equivalent units*

	Year N	Year N+1	Year N+2	Year N+3	Enter as many years as necessary to show the duration of the impact (see point 1.6)		
<b>• Establishment plan posts (officials and temporary staff)</b>							
XX 01 01 01 (Headquarters and Commission's Representation Offices)	2	2	2	2			
XX 01 01 02 (Delegations)							
XX 01 05 01/11/21 (Indirect research)							
10 01 05 01/11 (Direct research)							
<b>• External staff (in Full Time Equivalent unit: FTE)<sup>18</sup></b>							
XX 01 02 01 (AC, END, INT from the 'global envelope')							
XX 01 02 02 (AC, AL, END, INT and JPD in the delegations)							
XX 01 04 yy <sup>19</sup>	- at Headquarters						
	- in Delegations						
XX 01 05 02/12/22 (AC, END, INT - Indirect research)							
10 01 05 02/12 (AC, END, INT - Direct research)							
Other budget lines (specify)							
<b>TOTAL</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>			

XX is the policy area or budget title concerned.

The human resources required will be met by staff from the DG who are already assigned to management of the action and/or have been redeployed within the DG, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

Description of tasks to be carried out:

Officials and temporary staff	Preparation, participation and follow up of the meetings of the Joint Committee. Preparation and adoption of an annual report on the functioning of the Agreement.
External staff	

<sup>18</sup> AC= Contract Staff; AL = Local Staff; END= Seconded National Expert; INT = agency staff; JPD= Junior Professionals in Delegations.

<sup>19</sup> Sub-ceiling for external staff covered by operational appropriations (former 'BA' lines).

### 3.2.4. *Compatibility with the current multiannual financial framework*

The proposal/initiative:

- can be fully financed through redeployment within the relevant heading of the Multiannual Financial Framework (MFF).

The proposal only implies administrative expenditure which will be identified by redeployment during the exercise of allocation of resources.

- requires use of the unallocated margin under the relevant heading of the MFF and/or use of the special instruments as defined in the MFF Regulation.

Explain what is required, specifying the headings and budget lines concerned, the corresponding amounts, and the instruments proposed to be used.

- requires a revision of the MFF.

Explain what is required, specifying the headings and budget lines concerned and the corresponding amounts.

### 3.2.5. *Third-party contributions*

The proposal/initiative:

- does not provide for co-financing by third parties
- provides for the co-financing by third parties estimated below:

Appropriations in EUR million (to three decimal places)

	Year N <sup>20</sup>	Year N+1	Year N+2	Year N+3	Enter as many years as necessary to show the duration of the impact (see point 1.6)			Total
Specify the co-financing body								
TOTAL appropriations co-financed								

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<sup>20</sup> Year N is the year in which implementation of the proposal/initiative starts. Please replace "N" by the expected first year of implementation (for instance: 2021). The same for the following years.

### 3.3. Estimated impact on revenue

- The proposal/initiative has no financial impact on revenue.
- The proposal/initiative has the following financial impact:
  - on own resources
  - on other revenue
  - please indicate, if the revenue is assigned to expenditure lines

EUR million (to three decimal places)

Budget revenue line:	Appropriations available for the current financial year	Impact of the proposal/initiative <sup>21</sup>					Enter as many years as necessary to show the duration of the impact (see point 1.6)		
		Year N	Year N+1	Year N+2	Year N+3				
Article .....									

For assigned revenue, specify the budget expenditure line(s) affected.

Other remarks (e.g. method/formula used for calculating the impact on revenue or any other information).

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<sup>21</sup> As regards traditional own resources (customs duties, sugar levies), the amounts indicated must be net amounts, i.e. gross amounts after deduction of 20 % for collection costs.