

## **Trading under the mutual recognition principle if there's no Brexit deal**

### **Summary**

How importing and exporting non-harmonised goods would be affected if the UK leaves the EU with no deal.

### **Detail**

If the UK leaves the EU in March 2019 without a deal, find out how this would affect trading in non-harmonised goods, which are regulated by individual EU countries rather than centrally by the EU.

Non-harmonised goods are regulated on a national level. In some cases EU countries do not regulate these goods at all, although there is a general requirement for products to be safe. A harmonised good is one that is covered by product-specific, common rules across the whole of the EU.

For the purposes of this notice, references to EU countries should also be taken to apply to other countries which participate in the EU internal market (Switzerland, Liechtenstein, Norway and Iceland).

A scenario in which the UK leaves the EU without agreement (a 'no deal' scenario) remains unlikely given the mutual interests of the UK and the EU in securing a negotiated outcome.

Negotiations are progressing well and both we and the EU continue to work hard to seek a positive deal. However, it's our duty as a responsible government to prepare for all eventualities, including 'no deal', until we can be certain of the outcome of those negotiations.

For two years, the government has been implementing a significant programme of work to ensure the UK will be ready from day 1 in all scenarios, including a potential 'no deal' outcome in March 2019.

It has always been the case that as we get nearer to March 2019, preparations for a no deal scenario would have to be accelerated. Such an acceleration does not reflect an increased likelihood of a 'no deal' outcome. Rather it is about ensuring our plans are in place in the unlikely scenario that they need to be relied upon.

This series of technical notices sets out information to allow businesses and citizens to understand what they would need to do in a 'no deal' scenario, so they can make informed plans and preparations.

This guidance is part of that series.

Also included is an [overarching framing notice] (<https://www.gov.uk/government/publications/uk-governments-preparations-for-a-no-deal-scenario/>) explaining the government's overarching approach to preparing the UK for this outcome in order to minimise disruption and ensure a smooth and orderly exit in all scenarios.

We are working with the devolved administrations on technical notices and we will continue to do so as plans develop.

## **Purpose**

This notice provides guidance on how the importing and exporting non-harmonised goods under the mutual recognition principle would be affected in the unlikely event that the UK exits the EU without a deal in March 2019.

### **Before 29 March 2019**

Some manufactured goods are subject to national regulations rather than EU-wide rules. Examples include furniture, textiles, bicycles, and cooking utensils. This is not an exhaustive list.

These non-harmonised goods can circulate on the EU market under the mutual recognition principle. This principle prevents EU countries from prohibiting the sale of goods that have already been legally sold in another EU country. This applies even where countries have different national requirements covering the same good.

As an example, a bicycle made to comply with French national requirements and sold in France can then lawfully be marketed in other EU countries – even though those countries may have different national requirements for bicycles.

The only exceptions to the mutual recognition principle are restrictions which EU countries can introduce on grounds such as public safety, public policy and public morality.

EU countries' right to restrict the circulation of these goods, for the above reasons, is regulated by the [EU Mutual Recognition Regulation (764/2008)] (<https://www.gov.uk/guidance/mutual-recognition-regulation-across-the-eea>). As well

as setting out rules and procedures, it establishes product contact points in each EU country which respond to requests for information about national regulations.

### **After March 2019 if there's no deal**

The UK would no longer fall within the scope of the mutual recognition principle.

### **Implications**

UK businesses exporting non-harmonised goods to the EU market will need to consider the national requirements of the first EU country they export to. They will not need to consider the national requirements of any EU countries goods travel through before reaching the EU country in which they are intended to be placed on the market.

UK businesses who have already exported a non-harmonised good to an EU country by meeting the relevant national requirements will still be able to make use of the mutual recognition principle and market their product in other EU countries.

UK businesses who import non-harmonised goods into the UK will need to take action even if their goods were previously lawfully marketed in another EU country.

Non-UK businesses exporting non-harmonised goods to the UK will need to take action even if their goods were previously lawfully marketed in another EU country or in the UK.

### **Actions for businesses and other stakeholders**

UK businesses exporting non-harmonised goods to the EU market will need to meet the national requirements of the first EU country they export to.

UK businesses who have already exported a non-harmonised good to an EU country by meeting the relevant national requirements will not need to take any specific action.

UK businesses who import non-harmonised goods into the UK will need to ensure they meet UK national requirements.

Non-UK businesses exporting non-harmonised goods to the UK will need to ensure that the goods meet UK national requirements, regardless of whether they were previously lawfully marketed in another EU country or in the UK.

## **More information**

This notice deals with trade in manufactured goods under the mutual recognition principle. Further information will be provided in due course regarding foodstuffs currently covered by the mutual recognition principle.

[A list of relevant UK national regulations can be found here] (<https://www.gov.uk/guidance/mutual-recognition-regulation-across-the-eea>). This list not may not exhaustive.

Further information about different national regulations of non-harmonised goods for different EU countries is available via [product contact points] ([http://ec.europa.eu/growth/single-market/goods/free-movement-sectors/mutual-recognition/contacts-list\\_en](http://ec.europa.eu/growth/single-market/goods/free-movement-sectors/mutual-recognition/contacts-list_en)).

This notice is meant for guidance only. You should consider whether you need separate professional advice before making specific preparations.

It is part of the government's ongoing programme of planning for all possible outcomes. We expect to negotiate a successful deal with the EU.

The UK government is clear that in this scenario we must respect our unique relationship with Ireland, with whom we share a land border and who are co-signatories of the Belfast Agreement. The UK government has consistently placed upholding the Agreement and its successors at the heart of our approach. It enshrines the consent principle on which Northern Ireland's constitutional status rests. We recognise the basis it has provided for the deep economic and social cooperation on the island of Ireland. This includes North-South cooperation between Northern Ireland and Ireland, which we're committed to protecting in line with the letter and spirit of Strand two of the Agreement.

The Irish government have indicated they would need to discuss arrangements in the event of no deal with the European Commission and EU countries. The UK would stand ready in this scenario to engage constructively to meet our commitments and act in the best interests of the people of Northern Ireland, recognising the very significant challenges that the lack of a UK-EU legal agreement would pose in this unique and highly sensitive context.

It remains, though, the responsibility of the UK government, as the sovereign government in Northern Ireland, to continue preparations for the full range of potential outcomes, including no deal. As we do, and as decisions are made, we'll take full account of the unique circumstances of Northern Ireland.

