

**Draft 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 colouring of the text corresponds to the following meanings: **text in green** is agreed at negotiators' level, and will only be subject to technical legal revisions in the coming weeks. For **text in yellow**, negotiators agreed on the policy objective. Drafting changes or clarifications are still required. **Text in white** corresponds to text proposed by the Union on which discussions are ongoing.

With respect to the **DRAFT PROTOCOL ON IRELAND/NORTHERN IRELAND**, the negotiators agree that a legally operative version of the "backstop" solution for the border between Northern Ireland and Ireland, in line with paragraph 49 of the Joint Report, should be agreed as part of the legal text of the Withdrawal Agreement, to apply unless and until another solution is found.

The negotiators have reached agreement on some elements of the draft Protocol. They further agree that the full set of issues related to avoiding a hard border covered in the draft reflect those that need to be addressed in any solution. There is as yet no agreement on the right operational approach, but the negotiators agree to engage urgently in the process of examination of all relevant matters announced on 14 March and now under way.

PREAMBLE

THE EUROPEAN UNION AND THE EUROPEAN ATOMIC ENERGY COMMUNITY

AND

THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND,

[...]

HAVE AGREED AS FOLLOWS:

**PART ONE
COMMON PROVISIONS**

**Article 1
Objective**

This Agreement sets out the arrangements for the withdrawal of the United Kingdom of Great Britain and Northern Ireland ("United Kingdom") from the European Union ("Union") and from the European Atomic Energy Community ("Euratom").

**Article 2
Definitions**

For the purposes of this Agreement, the following definitions shall apply:

(a) "Union law" means:

- (i) the Treaty on European Union ("TEU"), the Treaty on the Functioning of the European Union ("TFEU") and the Treaty establishing the European Atomic Energy Community ("Euratom Treaty"), as amended or supplemented, as well as the Treaties of Accession and the Charter of Fundamental Rights of the European Union, together referred to as "the Treaties";
- (ii) the general principles of Union law;
- (iii) the acts adopted by the institutions, bodies, offices or agencies of the Union;
- (iv) the international agreements to which the Union is party and the international agreements concluded by the Member States acting on behalf of the Union;
- (v) the agreements between Member States entered into in their capacity as Member States of the Union;
- (vi) acts of the Representatives of the Governments of the Member States meeting within the European Council or the Council of the European Union ("Council");
- (vii) the declarations made in the context of intergovernmental conferences which adopted the Treaties;

(b) "Member States" means the Kingdom of Belgium, the Republic of Bulgaria, the Czech Republic, the Kingdom of Denmark, the Federal Republic of Germany, the Republic of Estonia, Ireland, the Hellenic Republic, the Kingdom of Spain, the French Republic, the Republic of Croatia, the Italian Republic, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Grand Duchy of Luxembourg, Hungary, the Republic of Malta, the Kingdom of the Netherlands, the Republic of Austria, the Republic of Poland, the Portuguese Republic, Romania, the Republic of Slovenia, the Slovak Republic, the Republic of Finland and the Kingdom of Sweden;

(c) "Union citizen" means any person holding the nationality of a Member State;

(d) "United Kingdom national" means a national of the United Kingdom, as defined in the New Declaration by the Government of the United Kingdom of Great Britain and Northern Ireland

Article 4

Methods and principles relating to the effect, the implementation and the application of this Agreement

1. Where this Agreement provides for the application of Union law in the United Kingdom, it shall produce in respect of and in the United Kingdom the same legal effects as those which it produces within the Union and its Member States.

In particular, Union citizens and United Kingdom nationals shall be able to rely directly on the provisions contained or referred to in Part Two. Any provisions inconsistent or incompatible with that Part shall be disapplied.*

2. The United Kingdom shall ensure compliance with paragraph 1, including as regards the required powers of its judicial and administrative authorities, through domestic primary legislation.
3. The provisions of this Agreement referring to concepts or provisions of Union law shall be interpreted and applied in accordance with the same methods and general principles as those applicable within the Union.
4. The provisions of this Agreement referring to Union law or concepts or provisions thereof shall in their implementation and application be interpreted in conformity with the relevant case law of the Court of Justice of the European Union handed down before the end of the transition period.
5. In the interpretation and application of this Agreement, the United Kingdom's judicial and administrative authorities shall have due regard to relevant case law of the Court of Justice of the European Union handed down after the end of the transition period.

Article 4a
Good faith

The Parties shall, in full mutual respect and good faith, assist each other in carrying out tasks which flow from this Agreement.

They shall take all appropriate measures, whether general or particular, to ensure fulfilment of the obligations arising from this Agreement and shall refrain from any measures which could jeopardise the attainment of the objectives of this Agreement.

This Article is without prejudice to the application of Union law pursuant to this Agreement, in particular the principle of sincere cooperation.

Article 5

References to Union law

1. With the exception of Parts Four and Five, unless otherwise provided in this Agreement all references in this Agreement to Union law shall be understood as references to Union law, including as amended or replaced, as applicable on the last day of the transition period.
2. Where in this Agreement reference is made to Union acts or provisions thereof, such reference shall, where relevant, be understood to include a reference to Union law or provisions thereof

* The content of Article 4 is agreed in its entirety in relation to Part Two of this Agreement.

TITLE X
UNION JUDICIAL AND ADMINISTRATIVE PROCEDURES

CHAPTER 1
Judicial procedures

Article 82

Pending cases before the Court of Justice of the European Union

1. The Court of Justice of the European Union shall continue to have jurisdiction for any proceedings brought before it by the United Kingdom or against the United Kingdom before the end of the transition period. That jurisdiction shall extend to all stages of proceedings, including appeal proceedings before the Court of Justice and proceedings before the General Court after a case has been referred back to it.
2. The Court of Justice of the European Union shall continue to have jurisdiction to give preliminary rulings on requests from courts and tribunals of the United Kingdom referred to it before the end of the transition period.
3. For the purposes of this Chapter, an application or a request for preliminary ruling shall be considered as having been, respectively, brought or referred to the Court of Justice of the European Union before the end of the transition period if the document initiating the proceedings has been registered by the registry of the Court of Justice or the General Court, as the case may be, before the end of the transition period.

Article 83

New cases before the Court of Justice

1. If the European Commission or a Member State considers that the United Kingdom has failed to fulfil an obligation under the Treaties or Part Four of this Agreement before the end of the transition period, it may bring the matter before the Court of Justice of the European Union in accordance with the procedural requirements laid down in Article 258 TFEU or, as the case may be, Article 259 TFEU. The Court of Justice of the European Union shall have jurisdiction over such cases.
2. Where in a case before a court or tribunal in the United Kingdom a question is raised concerning the interpretation of the Treaties or the validity or interpretation of acts of the institutions, bodies, offices or agencies of the Union relating to facts that occurred before the end of the transition period and where that court or tribunal considers that a decision on that question is necessary to enable it to give judgment in that case, it may request the Court of Justice of the European Union to give a preliminary ruling on that question in accordance with the procedural requirements laid down in Article 267 TFEU. The Court of Justice of the European Union shall have jurisdiction to give preliminary rulings on such requests.

Article 84

Procedural rules

The provisions of Union law governing the procedure before the Court of Justice of the European Union shall apply in respect of the proceedings and requests for preliminary rulings referred to in this Title.

Article 85

Binding force and enforceability of judgments and orders

1. Judgments and orders of the Court of Justice of the European Union handed down before the end of the transition period as well as those handed down after the end of the transition period in proceedings referred to in Articles 82 and 83, shall have binding force in their entirety on and in the United Kingdom.
2. Articles 280 and 299 TFEU shall apply in the United Kingdom in respect of the enforcement of the judgments and orders of the Court of Justice of the European Union referred to in paragraph 1 of this Article.
3. Article 260 TFEU shall apply in respect of compliance by the United Kingdom with judgments and orders of the Court of Justice of the European Union given before the end of the transition period or pursuant to Articles 82(1) and 83(1) of this Agreement.

Article 86

Right to intervene and to submit written observations

Until the judgments and orders of the Court of Justice of the European Union in all proceedings and requests for preliminary rulings referred to in Article 82 have become final, the United Kingdom may intervene and submit written observations in other cases before the Court of Justice of the European Union in the same way as Member States. During that period, the Registrar of the Court of Justice of the European Union shall notify the United Kingdom, at the same time and in the same manner as the Member States, of any case referred to the Court of Justice by a court or tribunal of a Member State.

Article 87

Representation before the Court

1. Where, before the end of the transition period, a lawyer authorised to practise before the courts of the United Kingdom represented or assisted a party before the Court of Justice of the European Union in proceedings brought before it or in requests for preliminary rulings referred to it before the end of the transition period, this lawyer may continue to represent or assist that party in those proceedings or requests. This right shall extend to all stages of proceedings, including appeal proceedings before the Court of Justice and proceedings before the General Court after a case has been referred back to it.
2. Lawyers authorised to practise before the courts of the United Kingdom may represent or assist a party before the Court of Justice of the European Union in the cases referred to in Article 83.

**PART FOUR
TRANSITION**

Article 121

Transition period

There shall be a transition or implementation period, which shall start on the date of entry into force of this Agreement and end on 31 December 2020.

Article 122

Scope of the transition

1. Unless otherwise provided in this Agreement, Union law shall be applicable to and in the United Kingdom during the transition period.

However, the following provisions of the Treaties and acts adopted by the institutions, bodies, offices or agencies of the Union shall not be applicable to and in the United Kingdom during the transition period:

- (a) provisions of the Treaties and acts which, pursuant to Protocol (No 15) on certain provisions relating to the United Kingdom of Great Britain and Northern Ireland, Protocol (No 19) on the Schengen *acquis* integrated into the framework of the European Union or Protocol (No 21) on the position of the United Kingdom and Ireland in respect of the area of freedom, security and justice, or pursuant to the provisions of the Treaties on enhanced cooperation, were not binding upon and in the United Kingdom before the date of entry into force of this Agreement as well as acts amending such acts;
- (b) Article 11(4) TEU, Articles 20(2)(b), 22 and the first paragraph of Article 24 TFEU, Articles 39 and 40 of the Charter of Fundamental Rights of the European Union, and acts adopted on the basis of those provisions.

2. Should the Union and the United Kingdom reach an agreement governing their future relationship in the area of the Common Foreign and Security Policy and the Common Security and Defence Policy which becomes applicable during the transition period, Chapter 2 of Title V of the TEU and the acts adopted on the basis of those provisions shall cease to apply to the United Kingdom from the date of application of that agreement.

3. During the transition period, the Union law applicable pursuant to paragraph 1 shall produce in respect of and in the United Kingdom the same legal effects as those which it produces within the Union and its Member States and shall be interpreted and applied in accordance with the same methods and general principles as those applicable within the Union.

4. The United Kingdom shall not participate in any enhanced cooperation:

- (a) in relation to which authorisation has been granted after the date of entry into force of this Agreement; or
- (b) within the framework of which no acts have been adopted before the date of entry into force of this Agreement.

5. During the transition period, in relation to measures which amend, build upon or replace an existing measure adopted pursuant to Title V of Part Three of the TFEU by which the United Kingdom is bound before the date of entry into force of this Agreement, Article 5 of Protocol (No

19) on the Schengen *acquis* integrated into the framework of the European Union and Article 4a of Protocol (No 21) on the position of the United Kingdom and Ireland in respect of the area of freedom, security and justice shall continue to apply *mutatis mutandis*. The United Kingdom shall, however, not have the right to notify its wish to take part in the application of new measures pursuant to Title V of Part Three of the TFEU other than those referred to in Article 4a of Protocol No 21.

In order to support continuing cooperation between the Union and the United Kingdom, under the conditions set out for cooperation with third countries in the relevant measures, the Union may invite the United Kingdom to cooperate in relation to new measures adopted under Title V of Part III TFEU.

6. Unless otherwise provided in this Agreement, during the transition period, any reference to Member States in the Union law applicable pursuant to paragraph 1, including as implemented and applied by Member States, shall be understood as including the United Kingdom.

7. By way of derogation from paragraph 6:

(a) for the purposes of Articles 42(6) and 46 TEU and of Protocol (No 10) on permanent structured cooperation established by Article 42 of the Treaty on European Union, any references to Member States shall be understood as not including the United Kingdom. This shall not preclude the possibility for the United Kingdom to be invited to participate as a third country in individual projects under the conditions set out in Council Decision (CFSP) 2017/2315¹¹² on an exceptional basis, or in any other form of cooperation to the extent allowed and under the conditions set out by future Union acts adopted on the basis of Articles 42(6) and 46 TEU;

(b) where acts of the Union provide for the participation of Member States, nationals of Member States or natural or legal persons residing or established in a Member State in 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 (or nationals of Member States, or natural or legal persons residing or established in a Member State) are to have knowledge of, in such exceptional circumstances the references to Member States in such Union acts shall be understood as not including the United Kingdom. The Union shall notify the United Kingdom of the application of this derogation;

(c) for the purposes of the recruitment of officials and other servants of the institutions, bodies, offices or agencies of the Union, any references to Member States in Articles 27 and 28(a) of the Staff Regulations and in Article 1 of Annex X thereto and in Articles 12, 82 and 128 of the Conditions of Employment of Other Servants of the European Union, or in the relevant provisions of other staff rules applicable to those institutions, bodies, offices or agencies, shall be understood as not including the United Kingdom.

¹¹² Council Decision (CFSP) 2017/2315 of 11 December 2017 establishing permanent structured cooperation (PESCO) and determining the list of participating Member States (OJ L 331, 14.12.2017, p. 57).

Article 123
Institutional arrangements

1. Notwithstanding Article 122, during the transition period Article 6 shall apply.
2. For the purposes of the Treaties, during the transition period, the parliament of the United Kingdom shall not be considered to be a national parliament of a Member State, except as regards Article 1 and, in respect of proposals which are in the public domain, Article 2 of Protocol (No 1) on the role of national parliaments in the European Union.
3. During the transition period, provisions of the Treaties which grant institutional rights to Member States enabling them to submit proposals, initiatives or requests to the institutions shall be understood as not including the United Kingdom¹¹³.
4. For the purposes of participation in the institutional arrangements laid down in Articles 282 and 283 TFEU and in Protocol (No 4) on the Statute of the European system of central banks and of the European Central Bank with the exception of Article 21(2) of that Protocol, during the transition period, the Bank of England shall not be considered to be a national central bank of a Member State.
5. By way of derogation from paragraph 1 and from Article 6, during the transition period, representatives or experts of the United Kingdom, or experts designated by the United Kingdom, may, upon invitation, exceptionally attend meetings or parts of meetings of the committees referred to in Article 3(2) of Regulation (EU) No 182/2011, of Commission expert groups, of other similar entities, or of bodies, offices or agencies where and when representatives or experts of the Member States or experts designated by Member States take part, provided that one the following conditions is fulfilled:
 - (a) the discussion concerns individual acts to be addressed during the transition period to the United Kingdom or to natural or legal persons residing or established in the United Kingdom;
 - (b) the presence of the United Kingdom is necessary and in the interest of the Union, in particular for the effective implementation of Union law during the transition period.

During such meetings or parts of meetings, the representatives or experts of the United Kingdom or experts designated by it shall have no voting rights and their presence shall be limited to the specific agenda items that fulfil the conditions set out in point (a) or (b).
6. During the transition period, the United Kingdom shall not act as leading authority for risk assessments, examinations, approvals and authorisations at the level of the Union or of Member States acting jointly referred to in the [acts/provisions] listed in Annex [y+6].
7. During the transition period, where draft Union acts identify or refer directly to specific Member State authorities, procedures, or documents, the United Kingdom shall be consulted by the Union on such drafts with a view to ensuring the proper implementation and application of that act by and in the United Kingdom.

¹¹³ This should in particular concern Articles 7, 30, 42(4), 48(2) – (6) and 49 TEU and Articles 25, 76(b), 82(3), 83(3), 86(1), 87(3), 135, 218(8), 223(1), 262, 311 and 341 TFEU.

• Agreement on this paragraph is conditional on the provision of an exhaustive list in Annex y+6, building on an indicative list already provided.

Article 124

Specific arrangements relating to the Union's external action

1. Without prejudice to Article 122(2), during the transition period, the United Kingdom shall be bound by the obligations stemming from 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 as referred to in Article 2(a)(iv).^{**}
2. During the transition period, representatives of the United Kingdom shall not participate in the work of any bodies set up by international agreements concluded by the Union, or by Member States acting on its behalf, or by the Union and its Member States acting jointly, unless:
 - (a) the United Kingdom participates in its own right; or
 - (b) the Union exceptionally invites the United Kingdom to attend meetings or parts of meetings of such bodies, as part of its delegation, where the Union considers that the presence of the United Kingdom is necessary and in the interest of the Union, in particular for the effective implementation of those agreements during the transition period. Such presence shall only be possible where Member States participation is allowed under the applicable agreements.
3. In accordance with the principle of sincere cooperation, the United Kingdom shall refrain, during the transition period, from any action or initiative which is likely to be prejudicial to the Union's interests, in particular in the framework of any international organisation, agency, conference or forum of which the United Kingdom is a party in its own right.
4. Notwithstanding paragraph 3, 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.
5. Without prejudice to Article 122(2), whenever there is a need for coordination, the United Kingdom may be consulted, on a case-by-case basis.
6. Following a decision of the Council falling under Chapter 2 of Title V TEU, the United Kingdom may make a formal declaration to the High Representative of the Union for Foreign Affairs and Security Policy, indicating that, for vital and stated reasons of national policy, in those exceptional cases it will not apply the decision. In a spirit of mutual solidarity, the United Kingdom shall refrain from any action likely to conflict with or impede Union action based on that decision and the Member States shall respect its position.
7. During the transition period, the United Kingdom shall not provide commanders of civilian operations, heads of mission, operation commanders or force commanders for missions or operations conducted under Articles 42, 43 and 44 TEU, nor shall it provide the operational headquarters for such missions or operations or serve as framework nation for Union battlegroups. During the transition period, the United Kingdom shall not provide the head of any operational actions under Article 28 TEU.

^{**} The Union will notify the other parties to these agreements that during the transition period, the United Kingdom is to be treated as a Member State for the purposes of these agreements.

Article 125***Specific arrangements relating to fishing opportunities***

1. As regards the fixing of fishing opportunities within the meaning of Article 43(3) TFEU for any period falling within the transition period, the United Kingdom shall be consulted in respect of the fishing opportunities related to the United Kingdom, including in the context of the preparation of relevant international consultations and negotiations.
2. For the purpose of paragraph 1, the Union shall offer the opportunity to the United Kingdom to provide comments on the Commission Annual Communication on fishing opportunities, the scientific advice from the relevant scientific bodies and the Commission proposals for fishing opportunities for any period falling within the transition period.
3. Notwithstanding Article 124(2)(b), with a view to allowing the United Kingdom to prepare its future membership in relevant international fora, the Union may exceptionally invite the United Kingdom to attend, as part of the Union delegation, international consultations and negotiations referred to in paragraph 1 of this Article, to the extent allowed for Member States and permitted by the specific forum.
4. Without prejudice to Article 122(1), the relative stability keys for the allocation of fishing opportunities referred to in paragraph 1 of this Article shall be maintained.

Article 126***Supervision and enforcement***

During the transition period, the institutions, bodies, offices and agencies of the Union shall have the powers conferred upon them by Union law in relation to the United Kingdom and natural and legal persons residing or established in the United Kingdom. In particular, the Court of Justice of the European Union shall have jurisdiction as provided for in the Treaties.

The first paragraph shall also apply during the transition period as regards the interpretation and application of this Agreement.

**PART SIX
INSTITUTIONAL AND FINAL PROVISIONS**

**TITLE I
CONSISTENT INTERPRETATION AND APPLICATION**

Article 151

References to the Court of Justice of the European Union concerning Part Two

1. Where, in a case which has commenced at first instance within 8 years from the end of the transition period before a court or tribunal in the United Kingdom, a question is raised concerning the interpretation of Part Two of this Agreement, and where that court or tribunal considers that a decision on that question is necessary to enable it to give judgment in that case, it may request the Court of Justice of the European Union to give a preliminary ruling on that question.

However, where the subject matter of the case before a court or tribunal in the United Kingdom is a decision on an application made pursuant to Article 17 paragraphs (1) or (4) or Article 17a, a request for a preliminary ruling may be made only where the case has commenced at first instance within eight years from the date from which Article 17a applies.

2. The Court of Justice of the European Union shall have jurisdiction to give preliminary rulings on requests pursuant to paragraph 1. The legal effects in the United Kingdom of such preliminary rulings shall be the same as the legal effects of preliminary rulings given pursuant to Article 267 TFEU in the Union and its Member States.

Article 152

Monitoring of the implementation and application of Part Two

1. In the United Kingdom, the implementation and application of Part Two shall be monitored by an independent authority (the "Authority") which shall have equivalent powers to those of the Commission acting under the Treaties to conduct inquiries on its own initiative concerning alleged breaches of Part Two of this Agreement by the administrative authorities of the United Kingdom and to receive complaints from Union citizens and their family members for the purposes of conducting such inquiries. The Authority shall also have the right, following such complaints, to bring a legal action before a competent court or tribunal in the United Kingdom in an appropriate judicial procedure with a view to seeking adequate remedy.
2. The Commission and the Authority shall each inform annually the specialised Committee on citizens' rights on the implementation and application of Part Two in the Union, and in the United Kingdom respectively. This information shall, in particular, cover measures taken to implement or comply with Part Two and the number and nature of complaints received.
3. The Joint Committee shall assess, no earlier than 8 years after the end of the transition period, the functioning of the Authority. Following such assessment, it may decide, in good faith, pursuant to Articles 157(4)(g) and 159, that the United Kingdom may abolish the Authority.

*Article 153**Jurisdiction of the Court of Justice of the European Union concerning Parts Three and certain provisions of Part Five*

Without prejudice to Article 83 of this Agreement, Articles 258, 260, and 267 TFEU shall apply in respect of the interpretation and application of Part Three of this Agreement and of applicable Union law referred to in Article 129 and Article 131(1) or (2) of this Agreement. To this effect, any reference made in Articles 258, 260, and 267 TFEU to a Member State shall be read as including the United Kingdom.*

*Article 154**Submission of statements of case or written observations and participation in the procedure*

Where a court or tribunal of a Member State refers a question concerning the interpretation of this Agreement to the Court of Justice of the European Union for a preliminary ruling, the decision of the national court or tribunal containing that question shall be notified to the United Kingdom. The United Kingdom shall be entitled to participate in the procedure before the Court of Justice of the European Union in the same way as Member States.

*Article 155**Participation of the European Commission in cases pending in the United Kingdom*

Where the consistent interpretation and application of Part Two of this Agreement so requires, the European Commission may submit written observations to the courts or the tribunals in the United Kingdom in pending cases where the interpretation of the Agreement is concerned. The European Commission may, with the permission of the court or tribunal in question, also make oral observations. The European Commission shall inform the United Kingdom of its intention to submit observations before formally doing so.

*Article 156**Regular dialogue and exchange of information*

In order to facilitate the consistent interpretation of this Agreement and in full deference to the independence of courts, the Court of Justice of the European Union and the United Kingdom's highest courts shall engage in a regular dialogue, analogous to the one which the Court of Justice of the European Union pursues with the highest courts of the Member States.

* The content of Article 153 is agreed in its entirety in relation to applicable Union law referred to in Article 129 and Article 131(1) or (2) of this Agreement. This is without prejudice to Article 131(5).

**TITLE II
INSTITUTIONAL PROVISIONS**

Article 157
Joint Committee

1. A Joint Committee is hereby established, comprising representatives of the Union and of the United Kingdom. The Joint Committee shall be co-chaired by the Union and the United Kingdom.
2. The Joint Committee shall meet at the request of the Union or the United Kingdom or at least once a year. The Joint Committee shall set its meeting schedule and its agenda by mutual consent.
3. The Joint Committee shall be responsible for the implementation and application of this Agreement. The Union or the United Kingdom may refer to the Joint Committee any issue relating to the implementation, application and interpretation of this Agreement.
4. The Joint Committee shall:
 - (a) supervise and facilitate the implementation and application of this Agreement;
 - (b) decide on the tasks of the specialised committees and supervise their work;
 - (c) seek appropriate ways and methods of preventing problems that might arise in areas covered by this Agreement or of resolving disputes that may arise regarding the interpretation and application of this Agreement;
 - (d) adopt its own rules of procedure, as well as rules of procedure of the specialised committees;
 - (e) consider any matter of interest relating to an area covered by this Agreement;
 - (f) adopt decisions and make recommendations as set out in Article 159;
 - (g) adopt amendments to this Agreement in the cases provided for in this Agreement.
5. The Joint Committee may:
 - (a) delegate responsibilities to the specialised committees, except those referred to in points (b), (d), (f) and (g) of paragraph 4;
 - (b) establish other specialised committees than those established by Article 158 in order to assist it in the performance of its tasks;
 - (c) change the tasks assigned to the specialised committees or dissolve any of those committees; and
 - (d) take such other action in the exercise of its functions as decided by the Union and the United Kingdom.
6. The Joint Committee shall issue an annual report on the functioning of this Agreement.

**TITLE III
DISPUTE SETTLEMENT**

*Article 160
Cooperation*

The Union and the United Kingdom shall, at all times, endeavour to agree on the interpretation and application of this Agreement, and shall make every attempt through cooperation and consultations to arrive at a mutually satisfactory resolution of any matter that might affect its operation.

*Article 161
Exclusivity*

For any dispute between the Union and the United Kingdom arising under this Agreement, the Union and the United Kingdom shall only have recourse to the procedures provided for in this Agreement.

*Article 162
Settlement of disputes*

1. Without prejudice to Article 153, the Union or the United Kingdom may bring any dispute which concerns the interpretation or application of this Agreement before the Joint Committee.
2. The Joint Committee may settle the dispute through a recommendation. It shall be provided with all information which might be of use in making possible an in-depth examination of the situation, with a view to finding an acceptable solution. To this end, the Joint Committee shall examine all possibilities to maintain the good functioning of the Agreement.
3. The Joint Committee may, at any point, decide to submit the dispute brought before it to the Court of Justice of the European Union for a ruling. The Court of Justice of the European Union shall have jurisdiction over such cases and its rulings shall be binding on the Union and the United Kingdom.
4. If the dispute has not been settled within 3 months after it was brought before the Joint Committee and has not been submitted to the Court of Justice of the European Union by the Joint Committee pursuant to paragraph 3, the dispute may be submitted to the Court of Justice of the European Union for a ruling at the request of either the Union or the United Kingdom. The Court of Justice of the European Union shall have jurisdiction over such cases and its rulings shall be binding on the Union and the United Kingdom.

*Article 163
Non-compliance*

1. Where the Union or the United Kingdom consider that the other Party has not taken the necessary measures to comply with the judgment of the Court of Justice of the European Union resulting from proceedings referred to in Article 162: the Union or the United Kingdom, as the case may be, may bring the case before the Court of Justice of the European Union, after giving the other Party the opportunity to submit its observations. The Court of Justice of the European Union shall have jurisdiction over such cases and its rulings shall be binding on the Union and the United Kingdom. If the Court of Justice of the European Union finds that the Union or the United

Kingdom, as the case may be, has not complied with its judgment, it may impose a lump sum or penalty payment on it.

2. Where, in the situation referred to in paragraph 1, the case has not been brought before the Court of Justice of the European Union, the Union or the United Kingdom, as the case may be, may decide to suspend:
 - (a) parts of this Agreement other than Part Two; or
 - (b) parts of any other agreement between the Union and the United Kingdom, under the conditions set out in such agreement.

Any suspension shall be proportionate to the breach of obligation concerned, taking into account the gravity of the breach and the rights in question. It shall be subject to judicial review by the Court of Justice of the European Union.

The Union or the United Kingdom, as the case may be, shall inform the other Party of its intention to suspend and allow the other Party, within 20 days, to remedy the situation. Any suspension shall take effect no earlier than 20 days after its notification to the other Party.

Article 164 Procedural rules and powers

Proceedings brought to the Court of Justice of the European Union pursuant to Article 162 or 163 shall be governed by the Rules of Procedure set out in [Annex y+3] to this Agreement.

Article 165 Suspension of benefits during the transition period

1. Notwithstanding Article 126 of this Agreement, if during the transition period the Union considers that the United Kingdom has not fulfilled, during the transition period, an obligation under Union law as found in a judgment rendered pursuant to Article 126 of this Agreement in accordance with Article 258 TFEU, or that the United Kingdom does not respect an order rendered pursuant to Article 126 of this Agreement in accordance with Article 279 TFEU, and where the functioning of the internal market, of the customs union, or the financial stability of the Union or its Member States would be jeopardised as a result, the Union may suspend certain benefits deriving for the United Kingdom from participation in the internal market.
2. When applying paragraph 1, the Union shall take into account the possible consequences of such a suspension on the rights and obligations of natural and legal persons. Any suspension under paragraph 1 shall be proportionate to the breach of obligation concerned, taking into account the gravity of the breach and the rights in question, and shall not exceed 3 months. It may, however, be renewed.
3. The Union shall inform the United Kingdom of its intention to apply paragraph 1 and allow the United Kingdom, within 20 days, to remedy the situation. Any suspension shall take effect no earlier than 20 days after its notification to the United Kingdom.