

EN

E-000325/2021

Answer given by Mr Schmit
on behalf of the European Commission
(31.3.2021)

1. Under Article 6.2 of the Trade and Cooperation Agreement (TCA), the Parties commit not to weaken or reduce their levels of protection in the areas related to labour and social standards listed in Article 6.1 below levels of protection applicable at the end of the transition period. It follows that in the future the United Kingdom (UK) will not be allowed to weaken or reduce these levels of protection in these areas, in a manner affecting trade or investment between the parties. The correct implementation of such levels of protection is ensured through domestic enforcement and an appropriate dispute settlement.

2. Working time and equal pay are covered by the areas mentioned in Article 6.1. This means that the UK must not modify their existing working time rules if such modifications weaken or reduce their level of protection in that area in a manner affecting trade or investment between the Parties. The effect on trade or investment does not need to be material. If the EU assesses that a modification by the UK of its working time rules or equal pay constitutes a breach of the non-regression commitment in Article 6.2, it may decide to seek consultations with the UK or to initiate a dispute under the dedicated dispute settlement mechanism. The dispute might result in temporary remedies if the UK does not put itself into compliance following the finding of a breach of a commitment.

3. “Free ports” are subject to the provisions of Title XI on level playing field, including the non-regression commitment on labour and social standards. It follows that, if the EU considers that the UK has breached such non-regression commitment, e.g. by lowering social standards, it can take the actions mentioned in answer to question 2.