



Department for
International Trade



Free Trade Agreement
between the United
Kingdom, and Norway,
Iceland, and
Liechtenstein

Parliamentary Report

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Introduction

1. This document sets out core provisions of the Free Trade Agreement between the United Kingdom of Great Britain and Northern Ireland, and the Kingdom of Norway, and Iceland, and the Principality of Liechtenstein (the “Agreement”). It seeks to explain how the Agreement applies to businesses and citizens, setting out HM Government’s approach to governing the trading relationship between the United Kingdom and Northern Ireland (“United Kingdom”), and the Kingdom of Norway (“Norway”), Iceland, and the Principality of Liechtenstein (“Liechtenstein”).
2. Our three partner countries are members of the European Economic Area (the “EEA”) which brings these states, together with the European Union (the “EU”) Member States, into a single market.
3. Following the United Kingdom’s exit from the EU, HM Government has sought to deliver the maximum possible certainty to businesses and consumers. To achieve this, HM Government has developed new bilateral agreements that help to underpin the United Kingdom’s trading relationship with partner countries. This Agreement is an important step in the United Kingdom defining itself as an independent trading nation.
4. On 1st January 2021, the Agreement on Trade in Goods between the United Kingdom of Great Britain and Northern Ireland, Iceland, and the Kingdom of Norway (the “Agreement on Trade in Goods”) came into effect¹. The Agreement on Trade in Goods represented the first step in continuing the United Kingdom’s strong trading relationship with these two valued trading partners after the end of the transition period following the United Kingdom’s exit from the EU. The Agreement on Trade in Goods included provisions on market access, tariffs, tariff rate quotas (TRQs), rules of origin and customs and trade facilitation. This has ensured businesses and consumers could continue to access the Icelandic and Norwegian markets after the end of the transition period.
5. Negotiations on a more comprehensive Agreement began in the summer of 2020. The Agreement will enter into force at the earliest opportunity, subject to the domestic processes of each partner country.
6. The new agreement between the United Kingdom, and Norway, and Iceland, and Liechtenstein, is more comprehensive in nature, not only covering trade in goods (with Norway and Iceland), but also setting out new arrangements between the United Kingdom, and Norway, Iceland, and Liechtenstein, on services and investment as well as a range of other areas including digital, climate change, women’s economic empowerment and government procurement.
7. In the case of Liechtenstein, trade in goods has been protected (and will continue to be protected) via the Trade Agreement between the United Kingdom of Great Britain and Northern Ireland, and the Swiss Confederation. This is because Liechtenstein is in a customs union with Switzerland.²

¹ <https://www.gov.uk/government/publications/agreement-on-trade-in-goods-between-the-united-kingdom-of-great-britain-and-northern-ireland-iceland-and-the-kingdom-of-norway-ms-no82020>

² <https://www.gov.uk/government/publications/cs-switzerland-no42019-ukswitzerland-trade-agreement>

Free Trade Agreement Between the United Kingdom of Great Britain and Northern Ireland and Iceland, The Principality of Liechtenstein and the Kingdom of Norway

Part 1

General Provisions

8. General Provisions set out the objectives of the Agreement, its territorial application and make provisions for transparency arrangements.
9. These provisions specify that the Agreement applies to the United Kingdom, Norway, Iceland and Liechtenstein, and provides for goods-related coverage of the Crown Dependencies. They allow for further extension of the Agreement to the Crown Dependencies and extension of the agreement to Overseas Territories, including Gibraltar, at a point after entry into force.
10. Further Provisions make specific arrangements for how the Agreement will apply to Liechtenstein. Most notably, provisions relating to services and investment.

Part 2

Trade in Goods

11. The United Kingdom, Norway, and Iceland have worked to ensure trade in goods is protected as far as possible, causing minimal disruption to businesses and consumers. As contained in the Agreement on Trade and in Goods, the Agreement covers the flow of goods, institutional provisions, trade remedies, settlement of disputes, customs cooperation, and rules of origin.

National Treatment and Trade in Goods

12. The Chapter upholds the existing benefits found in the Agreement on Trade in Goods. The Chapter includes provisions which affirm, incorporate, and build upon World Trade Organization (WTO) commitments and principles, facilitates trade, and address non-tariff barriers (such as import and export licensing restrictions).
13. The Agreement secures existing market access arrangements achieved under the Agreement on Trade in Goods between the United Kingdom and Iceland. This includes continued duty-free access for many industrial and fishery products into Iceland.
14. The Agreement secures additional market access arrangements to those achieved under the Agreement on Trade in Goods between the United Kingdom and Norway. For example, the Agreement secures access to 26 duty free quotas, which include pork and poultry products. The agreed quota sizes allow for significant export volumes and the United Kingdom will continue to have access to a duty-free WTO quota for cheese. New TRQs will cover products such as pork meat, sausages, poultry, eggs, potatoes, raspberries, strawberries, apples, and lettuce.
15. The Agreement secures tariff elimination on exports of fish feed to Norway also, which is an important export market for producers in the United Kingdom, particularly those in Scotland, and a better preferential tariff rate for four high-quality British hard cheeses. The cheeses are: West Country Farmhouse Cheddar, Orkney Scottish Island Cheddar, Traditional Welsh Caerphilly, and Yorkshire Wensleydale. Further tariff reductions have been secured on assorted vegetable produce too.
16. Contained in the Chapter is an additional bilateral provision between the United Kingdom and Norway, which permanently secures the right for British fishermen fisherman to transit their catches through Norway without paying a fee.

The Protocol on Rules of Origin

17. The United Kingdom, Norway, and Iceland, have agreed an Annex on rules of origin which contains modern and appropriate rules of origin provisions. This ensures that only 'originating' goods are able to benefit from the liberalised market access arrangements found elsewhere in the Agreement.
18. The Annex includes provisions which enable businesses and traders to use materials from other defined countries, including the EU, and treat them as "originating" in the United Kingdom for the purposes of meeting origin requirements for British exports. This is known as cumulation and will help preserve existing supply chains while also providing future trading opportunities. The cumulation provisions cover both materials and processing, and apply to goods traded between the United Kingdom, Norway, and Iceland.
19. In order to cumulate inputs from the EU and other defined countries, British businesses must ensure that working or processing in the United Kingdom goes further than the operations set out in the text on Insufficient Working or Processing (Article 7 of the Annex on Rules of Origin). The Joint Committee can, in the future, approve cumulation of inputs from other countries who are mutual trading partners of the United Kingdom, Norway, and Iceland.
20. The arrangements include facilitations on average pricing when calculating the value of certain input materials, accounting segregation for certain products, and tolerance by value. The general provisions are supported by modern and liberal product specific rules that protect domestic interests, while also allowing for continued trade between the United Kingdom, Norway, and Iceland. These rules are also supported by predictable and low-cost administrative arrangements based on new customs technologies for proving origin, such as the ability for customs authorities to both issue and check origin documentation electronically.

Technical Barriers to Trade (TBT)

21. The United Kingdom, Norway, and Iceland, have agreed a Chapter which addresses regulatory barriers to trade while allowing the Parties the freedom to regulate goods in the way most appropriate for their own markets. The Chapter builds on the WTO Technical Barriers to Trade Agreement and includes Provisions on technical regulations, standards, conformity assessment procedures, accreditation, marking and labelling and market surveillance.³
22. In line with common free trade agreement practice, the Chapter also includes a number of sector-specific Annexes which seek to promote cooperation and tackle barriers to trade. The areas covered are the automotive, chemical, medicinal products, organic products, and wine sectors.

Annex on medicinal products

23. The Annex aims to facilitate availability of medicines, promote public health, and protect high levels of consumer and environmental protection in respect of medicinal products. It provides for mutual recognition of Good Manufacturing Practice inspections and certificates, meaning that manufacturing facilities do not need to undergo separate inspections. It provides for mutual recognition of Good Manufacturing Practice inspections and certificates, meaning that manufacturing facilities do not need to undergo separate inspections. It also secures ongoing cooperation between the United Kingdom, Norway, and Iceland.

Annex on motor vehicles and equipment and parts thereof

24. The objective of the Annex is to eliminate and prevent unnecessary barriers to trade in motor vehicles and parts. It confirms that the Parties will mutually recognise approvals based on UN Regulations. It establishes dedicated cooperation mechanisms to address regulatory barriers and provides for information exchange to support activities including market surveillance.

Annex on organic products

25. The Annex provides an equivalence agreement between the United Kingdom, Norway, and Iceland. This ensures products that are certified as organic in one market will be recognised as organic in the other. There are wider benefits, including provisions for effective regulatory cooperation to combat

fraud, upholding the integrity of our organics production and control systems, and collaboration on the future development of organic standards.

Annex on trade in wine

26. The objective of the Annex is to provide simplified certification, documentation, labelling and packaging requirements for the imports of wine produced in the other Parties. It sets out requirements to share information and to consider further steps with a view to facilitating trade in wine.

Annex on chemicals

27. The Annex seeks to facilitate trade in chemicals, ensure high levels of environmental and health protection and provides for cooperation between authorities. It includes joint commitments to comprehensive implementation of international classification and labelling rules, as well as commitments to ongoing cooperation and information exchange.

Sanitary and Phytosanitary Measures (SPS)

28. The United Kingdom, Norway, and Iceland have agreed a Chapter which ensures the Parties can maintain their respective and appropriate levels of protection for human, animal and plant life and health, without creating unjustified barriers to trade. The Chapter reaffirms the Parties’ right under the WTO Sanitary and Phytosanitary Agreement to adopt sanitary and phytosanitary measures which is standard practice in free trade agreements⁴.
29. The Chapter includes commitments on plant pest status and regional conditions, as well as animal disease status and regional conditions. This enables the United Kingdom, Norway, and Iceland to trade in plant and animal products which are from pest-free and disease-free areas. The Chapter allows for further cooperation on compartmentalisation to enable trade to continue from disease-free compartments. Together with provisions on rapid notification, transparency and emergency measures, the Parties will be able to move quickly to protect their consumers, animals and plants during disease and pest outbreaks and food and feed safety incidents. The Chapter also incorporates cooperation commitments on animal welfare, antimicrobial resistance, and sustainable food systems.

3 https://www.wto.org/english/docs_e/legal_e/17-tbt_e.htm
4 https://www.wto.org/english/tratop_e/sps_e/spsagr_e.htm

30. Norway and Iceland are harmonised with the EU in relation to sanitary measures, with the exception of germinal products and live animals other than fish and aquaculture animals, for which Iceland is not harmonised. The Agreement allows the Parties to reflect changes that might arise as a result of any future United Kingdom-EU sanitary agreement dealing with sanitary measures on which Norway and Iceland are harmonised with the EU. This mechanism is captured in the Article on Minimum Standard of Treatment on Sanitary Measures and Annex I to the SPS Chapter.

Annex on cooperation on sanitary matters

31. The Parties have committed to explore, at the request of a Party, opportunities for co-operation on sanitary matters not currently provided for in the Agreement. Sanitary matters subject to this co-operation commitments are set out in the Annex II to the SPS Chapter.

Customs

32. The United Kingdom, Norway, and Iceland have agreed a Chapter that builds upon the Parties commitments in the WTO Trade Facilitation Agreement⁵. The Chapter delivers strong customs commitments to address barriers faced by traders at the border, while maintaining regulatory, security and financial interests.
33. The Chapter seeks to reduce burdens on traders at the border and promoting the use of modern and progressive customs practices. For example, the Agreement contains commitments on the release of goods at the border with goods to be released within a 48-hour window. Importantly, it includes a commitment to deliver advance rulings to traders within 90 days. This allows traders to obtain reliable, binding information on the customs treatment of their goods prior to import, in a shorter time.

5 https://www.wto.org/english/tratop_e/tradfa_e/tradfa_e.htm

34. The Agreement establishes commitments on measures to ensure information on customs procedures is easily accessible, including online, and that where possible customs documentation can be submitted electronically. Significantly, the Agreement includes commitments on simplified customs procedures allowing traders to benefit from cooperation on measures to reduce administrative burdens for traders, and endeavour to develop a Single Trade Window – a single platform for all border related processes and documents.
35. Contained in the Chapter are assurances on the protection of confidential trader information , ensuring there are review mechanisms available to traders for customs authority decisions.

Annex on mutual administrative assistance on customs matters

36. This Annex enables the Parties to work together, while upholding their respective customs regimes, to safeguard revenue and prevent fraud through efficient and reciprocal exchange of information and mutual assistance across customs matters.

Trade Remedies

37. The United Kingdom, Norway and Iceland have agreed a Chapter that includes provisions related to trade remedies, as standard in free trade agreements. The Chapter provides a safety net for domestic industry against unfair or injurious trading practices caused by dumped, subsidised or unexpected surges of imports of goods.
38. Contained in the Chapter is a commitment that the Parties will follow appropriate procedures for conducting fair and transparent trade remedies investigations. It provides for the application of the lesser duty rule and for each Party’s investigating authority to consider the economic/public interest during anti-dumping and countervailing investigations to ensure the proportionate use of trade remedies.

Part 3

Trade in Services & Investment

39. This part of the Agreement applies to the United Kingdom, Norway, Iceland, and Liechtenstein.
40. The Agreement includes provisions on cross-border trade in services and investment that secures continued market access across a broad range of sectors, including professional and business services, financial services, and transport services.

Services and Investment General Provisions

41. The United Kingdom, Norway, Iceland, and Liechtenstein have agreed a modern and progressive General Provisions Section which establishes the scope and definitions for Services and Investment, as well as setting out the provisions that apply to the whole title.
42. Incorporated in the Section is a commitment for the Parties to form a Committee on Services and Investment to keep dialogue open and review the implementation and operation of the services and investment provisions, as well as examining any possible improvements to the future trading relationship.

Investment

43. The United Kingdom, Norway, Iceland, and Liechtenstein have agreed provisions on investment that seek to secure continued market access across all sectors and will support new and continued foreign direct investment. This Section includes provisions on:
 - 43.1 Market Access, to make sure investors do not face limitations such as economic needs tests, restrictions on corporate form and foreign equity caps;
 - 43.2 National Treatment, to provide for non-discriminatory treatment between investors in the United Kingdom, Norway, Iceland, and Liechtenstein;
 - 43.3 Prohibition of performance requirements, to ensure investments are not subject to conditions such as domestic content requirements or export restrictions;
 - 43.4 Most Favoured Nation, to ensure that the Agreement keeps pace with the Parties' future free trade agreements.

44. These obligations are subject to the reservations for the Parties' existing and future non-conforming measures set out in the relevant Annexes.
45. Incorporated in the Section is a commitment on residency and nationality requirements for the senior management and directors of enterprises. This enables investors to appoint their preferred candidate to senior positions without being limited by nationality or residency criteria. This ensures investors can retain control over the investment, particularly in respect of small and medium-sized enterprises (SMEs) which may only have one director. It allows British business leaders, with companies set up in Norway, to live and work across the United Kingdom and elsewhere, rather than having to live permanently in Norway in order to continue working there.

Cross-Border Trade in Services

46. The United Kingdom, Norway, Iceland, and Liechtenstein have agreed provisions on cross-border trade in services that secures market access across a broad range of sectors, including professional and business services, financial services, and transport services. These chapters include obligations on:
 - 46.1 Market Access, to make sure service suppliers and investors do not face limitations such as economic needs tests, restrictions on corporate form and foreign equity caps;
 - 46.2 National Treatment, to provide for non-discriminatory treatment between service suppliers and investors in the United Kingdom, Norway, Iceland, and Liechtenstein;
 - 46.3 Local Presence, to ensure that cross-border trade is not inhibited by establishment requirements.
 - 46.4 Most Favoured Nation, to ensure that the Agreement keeps pace with the Parties' future free trade agreements.
47. These obligations are subject to the reservations for the Parties' existing and future non-conforming measures set out in the relevant Annexes.

Temporary Entry

- 48. The United Kingdom, Norway, Iceland, and Liechtenstein have agreed provisions on the movement of highly skilled professionals which seeks to provide firms and individuals with legal certainty and administrative clarity.
- 49. Incorporated in the Section are numerous commitments across a broad range of sectors for business visitors for establishment purposes; intra-corporate transferees, including graduate trainees; contractual service suppliers; and independent professionals. The Agreement also includes commitments on short-term business visitors beyond activities that the United Kingdom has previously agreed with the EU, as set out in the United Kingdom-EU Trade and Cooperation Agreement. For example, British musicians and performers will be able to perform and tour in in Norway and Iceland without a permit. The Parties have agreed not to impose market access restrictions (such as economic needs tests) or discriminatory barriers on business persons falling within these categories, unless explicitly stated in the Agreement.
- 50. The Agreement includes commitments on lengths of stay. This includes the ability for British short-term business visitors to travel to Norway and Liechtenstein for 90 days in any 180-day period, and to Iceland for 90 days in each calendar year. The Parties have agreed not to impose work permit requirements on business visitors for establishment purposes or short-term business visitors. The Parties have agreed not to impose economic needs tests for business persons covered under the Agreement also.
- 51. Incorporated in the Chapter are comprehensive measures on transparency and procedural facilitation, which seek to ease the burden and provide certainty to future visa and work permit applicants. The transparency measure guarantees that intra-corporate transferees can, depending on their length of stay, be accompanied by spouses, partners and dependents when placed abroad, with the right to work.

Regulatory Framework (Domestic Regulation)

- 52. United Kingdom, Norway, Iceland, and Liechtenstein have agreed a Domestic Regulation Section, which seeks to address ‘behind the border’ barriers to ensure businesses have greater certainties of procedural fairness when seeking authorisation to supply a service or invest in each-other’s markets. The provisions build

on the Joint Initiative on Services Domestic Regulation text proposal (under negotiation at the WTO) and include commitments on publication of information, processing of applications and course for appeal. These provisions promote a trade-friendly regulatory system that seeks prompt and transparent authorisation.

Financial Services

- 53. United Kingdom, Norway, Iceland, and Liechtenstein have agreed provisions on cross-border trade in financial services and investment that provide legal certainty and predictability for business, regulators, and consumers. The Agreement provides rules that ensure firms are not subject to discriminatory treatment due to nationality and ensure financial service suppliers and investors do not face limitations such as economic needs tests, restrictions on corporate form and foreign equity caps. The Agreement includes rules that protect the United Kingdom’s regulatory and supervisory ability to ensure financial stability, market integrity and protect investors and consumers.
- 54. Incorporated in the Section is a commitment on cross-border delegation of portfolio management. This seeks to provide additional certainty that Norwegian investment funds can continue to be managed by portfolio managers in the United Kingdom and vice-versa.
- 55. The Agreement also contains commitments that seek to expand future opportunities for the British financial services. For example, rules that prohibit nationality and residency requirements for Senior Management and Board of Directors, which supports more flexible business models; on financial information and data, which seek to facilitate financial data flows, essential for a data driven sector such as financial services; and on new financial services.

Telecommunications

- 56. The United Kingdom, Norway, Iceland, and Liechtenstein have agreed provisions on telecommunications services that secure the existing levels of liberalisation in the Parties’ markets. Incorporated in the Section is a mechanism for reciprocally capping wholesale roaming rates between the United Kingdom, and Norway and Iceland respectively, which enables suppliers to offer surcharge free international roaming. This seeks to provide greater accessibility and connectivity for consumers and businesses when travelling and working across these countries.

- 57. The Agreement includes standard provisions on access to and use of telecommunication networks, interconnection, fair and transparent regulation, and confidentiality. The authorisation clause ensures businesses from either Party will not have to wait for prior authorisation before they begin to deliver services.

International Maritime Transport Services

- 58. The United Kingdom, Norway, Iceland, and Liechtenstein have agreed provisions and commitments that provide a guaranteed level of market access and non-discriminatory treatment for service suppliers and investors in the maritime, aviation, rail, and road sectors. For example, the Section includes provisions on international maritime transport services which provide for non-discriminatory access to ports; the use of port infrastructure; the use of maritime auxiliary services such as storage and warehousing; customs facilities and the assignment of berths and facilities for loading and unloading. These provisions also allow shipping companies to move empty containers and provide feeder services between ports.
- 59. Iceland have also incorporated unilateral commitments on domestic maritime transport (cabotage) within the Section. This provides guaranteed market access for the United Kingdom’s flagged vessels transporting passengers and goods between ports in Iceland and servicing Iceland’s offshore energy infrastructure.

Legal Services

- 60. The United Kingdom, Norway, Iceland, and Liechtenstein have agreed provisions on legal services that seek to improve the clarity and certainty of market access for lawyers in the United Kingdom. The Section includes Provisions which allow solicitor, barristers and advocates from the United Kingdom the right to advise their clients across Norway, Iceland, and Liechtenstein on United Kingdom and international law using their home professional titles, except where specific limitations have been stated. Legal professionals from Norway, Iceland, and Liechtenstein will be provided similar rights to advise on Norwegian, Icelandic and Liechtenstein law and international law in the United Kingdom.
- 61. These obligations are subject to the reservations for the Parties’ existing and future non-conforming measures set out in the relevant Annexes.

Digital Trade

- 62. The United Kingdom, Norway, Iceland, and Liechtenstein have agreed provisions that seek to promote trade in digital services and facilitate new forms of trade in goods and services. The Agreement ensures that the Parties will cooperate on digital trade issues that may arise in the future, including emerging technologies.
- 63. Incorporated in the Section is a provision that seeks to facilitate the cross-border flow of data by prohibiting requirements to store or process data in a certain location. This prevents the imposition of costly requirements for British businesses. The Agreement recognises that high personal data protection standards help promote trust in the digital economy and includes provisions enabling the Parties to adopt or maintain measures to protect personal data and privacy.
- 64. The Agreement includes a guarantee that neither Party will discriminate against electronic signatures or electronic documents on the basis that they are in digital form. The Agreement also ensures that contracts can be completed digitally, with exceptions where appropriate.
- 65. Incorporated in the Section are provisions on online consumer protection and anti-spam, giving consumers strong protections when buying from businesses in either the United Kingdom, Norway, Iceland, and Liechtenstein. The Agreement contains specially tailored exceptions to preserve policy space for the Parties to protect users online. In parallel it makes sure companies are protected by a guarantee against the forced transfer of source code, protecting valuable intellectual property.

Capital Movements, Payments and Transfers

- 66. The United Kingdom, Norway, Iceland, and Liechtenstein have agreed commitments on the free flow of capital and payments for goods and services. The provisions ensure that the Parties can still pursue public policy objectives in their respective jurisdictions.
- 67. Incorporated in the Section is a specific exception which allows the Parties to impose appropriate temporary reservations. For example, the exception may be enacted in the event of a balance of payments crisis.

Part 4

Additional Areas

Government Procurement

68. The United Kingdom, Norway, Iceland, and Liechtenstein have agreed provisions on Government Procurement that provide a guaranteed level of market access, as well as commitments which unlock new market access opportunities. The Chapter includes coverage that goes beyond the WTO Agreement on Government Procurement (GPA)⁶. These areas include: the gas and heat distribution sector; private utilities that act as a monopoly; and a range of additional services in the hospitality, telecoms, real estate, education, and other business sectors. This provides businesses with additional opportunities and could benefit contracting authorities through increased competition and better value for money for the taxpayer.
69. The Agreement incorporates provisions which ensure the United Kingdom can maintain a separate and independent procurement regime and will enable HM Government to enact reform of our system. The Agreement provides for a transparent and nondiscriminatory framework of rules for trade in public procurement. These rules are based on the GPA, with some precedented additions for covered procurement, including the use of electronic means in procurement, electronic to publication of notices, and environmental, social, and labour considerations.

71. Contained in the Chapter are mechanisms for cooperation and exchange of information on IP issues of mutual interest. The Agreement retains regulatory flexibility for each Party, enabling the United Kingdom to develop an IP system in line with our domestic priorities.
72. With respect to geographical indications (GIs), the Agreement supersedes the GIs provisions in the *Agreement on Arrangements between Iceland, the Principality of Liechtenstein, the Kingdom of Norway and the United Kingdom of Great Britain and Northern Ireland* following the withdrawal of the United Kingdom from the EU and other agreements applicable between the United Kingdom and the Parties by virtue of the United Kingdom's membership of the EU, done at London on 28th January 2020 ('the Separation Agreement'). It provides bespoke, high-standard protection for United Kingdom GIs with lists of GIs explicitly protected under the Agreement, including wines and spirit drinks in Norway and Iceland, and agri-food products in Iceland. It also builds on the Agreement on Trade in Goods, by securing a commitment that Iceland will process applications for protection for the remaining 14 United Kingdom agri-food GIs, which were not previously protected.⁸

Competition

73. The United Kingdom, Norway, Iceland, and Liechtenstein have agreed commitments to reaffirm open and fair competition between the Parties, creating certainty for business operating in the Parties' jurisdictions. The Chapter seeks to ensure that the Parties maintain high standards of competition law, committing the Parties to maintain appropriate measures to proscribe anti-competitive business conduct and to apply the measures on a procedurally fair, transparent, and non-discriminatory basis.
74. Contained in the Chapter is a commitment of cooperation between the Parties' competition authorities which includes the potential for a further competition cooperation agreement to be agreed in the future.

Intellectual Property

70. The United Kingdom, Norway, Iceland, and Liechtenstein have agreed commitments on Intellectual Property (IP) that provide high standards of protection and enforcement of IP rights. These include registered IP rights such as trademarks and designs, unregistered rights such as copyright and trade secrets. These provisions refer to, and in many areas exceed, the standards set out in international agreements such as the WTO Agreement on Trade-Related Aspects of Intellectual Property (TRIPS) and World Intellectual Property Organization (WIPO) treaties⁷.

⁶ https://www.wto.org/english/tratop_e/gproc_e/gpa_1994_e.htm

⁷ https://www.wto.org/english/docs_e/legal_e/27-trips_04c_e.htm

⁸ <https://www.gov.uk/government/publications/agreement-on-arrangements-between-iceland-liechtenstein-norway-and-uk-following-the-withdrawal-of-uk-from-the-eu-the-eea-arrangement-and-other-agre>

Subsidies

75. The United Kingdom, Norway, Iceland, and Liechtenstein have agreed principles that seek to prevent the distortion of trade between the Parties by certain forms of government subsidy. The Chapter sets out principles for government support, ensuring that the Parties consider the potential effects on trade between the Parties before granting a subsidy. The Chapter contains an exemption for subsidies to support public services or respond to an economic or non-economic emergency. The Chapter does not impose specific rules on subsidies to the agricultural or fisheries sectors but instead seeks to reaffirm the Parties' shared objectives on multilateral efforts to address harmful fisheries subsidies.
76. The Agreement promotes transparency by requiring each Party periodically to notify the other Parties of any subsidies it grants. It establishes a consultation process that allows the Parties to raise concerns about a subsidy given by another Party and, where appropriate, seek a resolution that mitigates any negative effects on trade. These commitments are compatible with United Kingdom's obligations under WTO rules and other FTAs, including subsidy commitments agreed within the the United Kingdom-EU Trade and Cooperation Agreement⁹.

Small and Medium-Sized Enterprises (SMEs)

77. The United Kingdom, Norway, Iceland, and Liechtenstein have agreed commitments to provide SMEs with clear and accessible online information about the Agreement, helping them to trade and do business in each Party's jurisdiction.
78. The Agreement establishes a framework that will allow the Parties to work together to increase opportunities for SMEs.

Good Regulatory Practices (GRP)

79. The United Kingdom, Norway, Iceland, and Liechtenstein have agreed principles for ensuring good regulatory practices (GRP),

which reflect existing British practices, as well as providing the basis for voluntary regulatory cooperation between the Parties.

80. This Chapter seeks to provide a framework for all Parties to promote a transparent, predictable and stable regulatory environment that will provide traders with the regulatory certainty they need to feel confident in undertaking and doing future business.

Recognition of Professional Qualifications (RPQ)

81. The United Kingdom, Norway, Iceland, and Liechtenstein have agreed a framework for the recognition of professional qualifications, which ensures professionals with qualifications obtained in the United Kingdom seeking to practise in a regulated profession in Norway, Iceland, and Liechtenstein can access a smooth and transparent system to have their professional qualifications recognised. This applies vice versa, allowing professionals to practise in Norway, Iceland, and Liechtenstein who are seeking to practise in the United Kingdom.
82. Contained in the Chapter is a commitment setting out that the Parties have a 24-month period for implementation of the obligations in the Chapter, from entry into force of the Agreement.
83. Legislation may be required to deliver the commitments on the recognition of professional qualifications made in the Agreement. The Professional Qualifications Bill, introduced in the House of Lords in May, contains a power to implement the recognition of professional qualifications elements of international agreements. Once law, this power could be used to implement the relevant RPQ provisions in the Agreement.

Trade and Sustainable Development

84. The Chapter includes provisions on labour, women's economic empowerment and the environment.

Labour

85. The United Kingdom, Norway, Iceland, and Liechtenstein have agreed reciprocal commitments not to relax, lower, waive or fail to enforce labour standards.
86. The Agreement sets out provisions that all Parties will adhere to international labour standards, including the fundamental rights at work and promote the International Labour Organisation's Decent Work Agenda. The Chapter protects the Parties' 'right to regulate', giving them the freedom to set their own labour policies and priorities.

Women's Economic Empowerment and Trade

87. The United Kingdom, Norway, Iceland, and Liechtenstein have agreed to the commitments made in the Joint Declaration on Trade and Women's Economic Empowerment during the WTO Ministerial Conference in Buenos Aires in December 2017. This includes acknowledgment of the need to develop evidence-based interventions to address the barriers that limit opportunities for women in the economy.
88. The Agreement sets out provisions that the Parties will seek to advance women's economic empowerment across the Agreement and incorporate a gender perspective as part of the Parties trade and investment relationship. This includes opportunities for women in their roles as workers, business owners and entrepreneurs. This cooperation may include sharing experiences and best practices on areas such as supporting women's progression in the workplace, addressing barriers for women in trade, and conducting gender-based analysis of trade policies.

89. The Joint Committee that oversees the Agreement has an explicit function to oversee and monitor the implementation of objectives relating to advancing women's economic empowerment.

Environment

90. The United Kingdom, Norway, Iceland, and Liechtenstein have agreed reciprocal commitments not to relax or lower the level of protection provided by their environmental (including climate) law. The Agreement sets out that the Parties will not waive, derogate from or fail to effectively enforce such laws to encourage trade or investment between the Parties.
91. The Section protects the Parties' 'right to regulate', giving them the freedom to set their own policies and priorities on environment and climate to help achieve their own ambitious objectives in these areas, such as Net Zero.
92. Contained in the Section is a commitment to implement the multiple Multilateral Environmental Agreements (MEAs) to which the United Kingdom and Iceland, Liechtenstein and Norway are a party to. MEAs form the overarching international legal basis for global efforts to address environmental issues and play an important role in achieving sustainable development at an international level. They cover a broad range of environmental issues including biodiversity and nature protection, protection of the ozone layer, management of chemicals and waste, and transboundary water and air pollution.
93. The Agreement sets out provisions which seek to implement the Paris Agreement, cut greenhouse gas emissions and to promote trade and investment to grow the low carbon economy¹⁰. The Section sets out commitments towards undertaking long-term climate objectives, including Net Zero for the United Kingdom. The Section sets out commitments towards cooperating in areas such as the deployment of renewable energy, including offshore generation in the North Sea, and development of climate-friendly technologies such as carbon capture, utilisation, and and development of climate-friendly technologies such as carbon capture, utilisation, and storage (CCUS) and hydrogen technologies.

⁹ <https://www.gov.uk/government/publications/ukey-and-eaec-trade-and-cooperation-agreement-ts-no82021>

¹⁰ [https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:22016A1019\(01\)](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:22016A1019(01))

Part 5

Horizontal and Final Provisions

General Exceptions

94. Exceptions specifies various exceptions to the Agreement which ensure that the commitments in the Agreement will not prevent Parties from taking measures necessary to pursue legitimate public policy objectives, including for reasons of national security, or for the protection of human, animal and plant life or health, among other reasons.

Institutional Provisions

95. These provisions specify the institutional arrangements which will govern the implementation and operation of the Agreement.
96. A Joint Committee will oversee the Agreement and provide a forum in which representatives of the Parties will come together to take decisions, make recommendations, and consider matters relevant to the operation of the Agreement.

Dispute Settlement

97. The economic benefits of a trade agreement can only be realised if they are faithfully implemented and complied with. The United Kingdom, Norway, Iceland, and Liechtenstein have agreed a dispute settlement mechanism which signals the Parties' intention to abide by the Agreement, thereby increasing confidence

that commitments set out in the Agreement can, and will, be upheld. The dispute settlement mechanism provides an important deterrent function. It also provides an effective mechanism for enforcing those commitments, and for resolving any disputes arising.

98. This Dispute Settlement Chapter contains provisions for a state-to-state dispute settlement mechanism including an initial consultation stage, allowing the Parties the opportunity to reach a mutually satisfactory solution before proceeding further. Where this is not possible the Parties have recourse to independent arbitration. If the arbitration panel finds that there has been a breach, the Party at fault must either rectify the breach, or agree to provide suitable compensation. If this does not happen the complaining Party can suspend concessions or obligations in response to any imbalance identified. Conditions and limitations apply to cross-suspension of concessions or obligations in some areas.
99. In the event that a dispute arises, the United Kingdom will be responsible for her own costs and joint expenses associated with the dispute settlement process, unless otherwise agreed by Parties to the dispute.

Final Provisions

100. These provisions specify technical procedures to bring the Agreement into force, amend the Agreement, or withdraw from the Agreement. A review clause provides for review of the agreement ten years after entry into force or earlier if the Parties so decide.

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