



Foreign &
Commonwealth
Office

Continuing the United Kingdom's Trade Relationship with the Kingdom of Morocco

**Agreement establishing an association between the United Kingdom of Great Britain
and Northern Ireland and the Kingdom of Morocco**

December 2019



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Agreement establishing an association between the United Kingdom of Great Britain and Northern Ireland and the Kingdom of Morocco

Presented to Parliament

by the Secretary of State for Foreign and Commonwealth Affairs

by Command of Her Majesty

December 2019



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Introduction

1. This report explains the Government's approach to delivering continuity in the trade relationship of the United Kingdom of Great Britain and Northern Ireland (the "UK") with the Kingdom of Morocco ("Morocco") as the UK leaves the European Union (the "EU").
2. As the UK leaves the EU, the Government has sought to deliver the maximum possible certainty to businesses and consumers through ensuring continuity in the UK's existing trade relationships. It is in no one's interests to disrupt existing trade flows.
3. To achieve this, the Government has developed new agreements that replicate, as far as possible, the effects of the trade agreements the UK has with existing partners. In the event of either a negotiated agreement or no agreement with the EU, the UK-Morocco Agreement is intended to take effect on the date the EU-Morocco Agreements cease to apply to the UK (or as soon as possible thereafter). In either event, those new agreements will form the starting point for the UK's future trade arrangements with its partners.
4. Wherever possible, the Government has sought a technical replication of the existing EU agreements through these new 'continuity trade agreements', but in some cases, it has applied bespoke solutions for individual agreements as necessary to ensure continuity of effect in a bilateral context.
5. This report gives details of, and explains the reasons for, any significant differences between:
 - a. the Agreement establishing an association between the United Kingdom of Great Britain and Northern Ireland and the Kingdom of Morocco ("the UK-Morocco Agreement" or "the Agreement"); and
 - b. the Euro-Mediterranean Agreement establishing an association between the European Communities and their Member States, of the one part, and the Kingdom of Morocco, of the other part ("the EU-Morocco Association Agreement") and the Agreement between the European Union and the Kingdom of Morocco establishing a dispute settlement mechanism ("the EU-Morocco Dispute Settlement Mechanism Agreement"), together referred to herein as the "EU-Morocco Agreements".
6. This report first sets out the general drafting changes necessary across all the UK's short form continuity trade agreements which have no significant impact on the UK's current trade relationships. It then considers provisions of the UK-Morocco Agreement, in turn explaining any significant differences between the UK-Morocco Agreement and the corresponding provisions of the EU-Morocco Agreements. To assist the reader, the report includes some discussion on the economic impacts as appropriate. This report focuses on the changes made to the trading arrangements between the UK and Morocco in preparation for the UK ceasing to be bound by the EU-Morocco Agreements and the entry into force of the UK-Morocco Agreement. Any wider economic impacts resulting from the UK's exit from the EU or the nature of the Future Economic Partnership have been excluded from this report.
7. The UK has agreed with many third countries that the most appropriate and proportionate form of legal instrument to ensure continuity is a short form agreement, which incorporates by reference the relevant provisions of the EU-third-country agreement with relatively few but necessary modifications; the advantages of the short form approach are set out below. However, the UK has simply chosen the form that the States involved agreed was the most pragmatic and sensible in the circumstances, taking into account the wishes of the partner country. Accordingly, some agreements have been drafted in long form to reflect these wishes.

Legal approach

8. The UK and Morocco have agreed to use a short form agreement to continue the effects of the EU-Morocco Agreements in the UK-Morocco Agreement. The approach taken is similar to that used in the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (the “CPTPP”), where Article 1 of the CPTPP incorporates by reference the provisions of the Trans-Pacific Partnership Agreement into and makes them part of, *mutatis mutandis*, the CPTPP. The advantages of this approach include that:
 - a. the short form agreement can be drafted in such a manner as to accommodate different scenarios, such as the various possible outcomes of the UK’s ongoing negotiations with the EU regarding the end state of the UK-EU relationship;
 - b. the format itself will send a clear message to businesses, consumers and investors in both the UK and Morocco that the aim is simply to secure continuity in existing trading arrangements, with the only changes being the ones clearly specified on the face of the Agreement; and;
 - c. the approach provides a clear legal text, making rights and obligations unambiguous where they have, by necessity, changed.
9. The UK-Morocco Agreement replicates the effects of the EU-Morocco Agreements as closely as possible, including the establishment of institutional arrangements between the UK and Morocco based on existing structures (such as the Association Council) that allow for the ongoing management and updating of the Agreement.
10. Many of the general changes to the EU-Morocco Agreements (such as replacing “EU” with “UK”) are applied by reading the incorporated text of the EU-Morocco Agreements *mutatis mutandis*, that is, with the technical changes necessary to apply the EU-Morocco Agreements as if they had been concluded between the UK and Morocco in the first instance. This has avoided the need to reproduce every page of the EU-Morocco Agreements and has significantly reduced the volume of text required.
11. Where more substantive amendments were required to ensure operability in a bilateral context, or where the UK and Morocco jointly agreed that *mutatis mutandis* would not deliver adequate certainty over rights and obligations, detailed amendments have been included in the Annexes to the UK-Morocco Agreement.

Resources

12. This report is intended to aid businesses, consumers and parliamentarians in understanding any significant changes made to the UK's trade relationship with Morocco by the UK-Morocco Agreement, the reasons for these changes and their impact.
13. Should you wish to view the EU-Morocco Association Agreement or the EU-Morocco Dispute Settlement Mechanism Agreement as originally published, they can be found online on the [EU Commission's website](#).
14. More detail, including decisions of the Association Council and the Association Committee established under the EU-Morocco Association Agreement for the purpose of administering the EU-Morocco Agreements, can be found on the [EUR-Lex website](#). A consolidated version of the EU-Morocco Association Agreement can also be found on the [EUR-Lex website](#). The consolidated text is not an authoritative version of the EU-Morocco Association Agreement but will assist readers to understand how the EU-Morocco Association Agreement has been amended since its entry into force.
15. Should you wish to view the full text of the UK-Morocco Agreement, it will be laid in Parliament alongside an Explanatory Memorandum as part of the UK's treaty ratification process in accordance with the Constitutional Reform and Governance Act 2010 (the "CRaG Act"). The text will also be available on GOV.UK.

Economic Background

16. This section provides a country-specific background analysis of trade between the UK and Morocco.

Trade between the UK and Morocco

17. Morocco is the UK's 58th largest trading partner,¹ accounting for 0.2% of total UK trade. Total trade in goods and services between the UK and Morocco was £2.5 billion in 2018.²

18. In 2018, UK exports to Morocco were £1.2 billion, making it the UK's 57th largest export market (accounting for 0.2% of all UK exports). UK imports from Morocco were £1.3 billion, making it the UK's 52nd largest import source (accounting for 0.2% of all UK imports).

Table 1: Trade between the UK and Morocco, 2018 (£ billion)

	Trade in goods	Trade in services	Total trade
UK exports to Morocco	0.8	0.4	1.2
UK imports from Morocco	0.7	0.6	1.3
Total trade	1.5	1.0	2.5

Source: [ONS, \(2019\), UK total trade: all countries, non-seasonally adjusted](#) (accessed 28th October 2019).

19. Using data from HMRC for trade in goods only, Table 2 shows that in 2018 the top goods exported to Morocco were vehicles other than railway or tramway stock (HS87, £162 million), mineral fuels and oils (HS27, £135 million) and aircraft, spacecraft, and parts thereof (HS88, £101 million). The UK's top goods imported from Morocco were electrical machinery and equipment (HS85, £134 million), vehicles other than railway or tramway stock (HS87, £126 million), and articles of apparel and clothing, not knitted (HS62, £87 million).

¹ EU Member States are treated as individual trading partners with the UK.

² [ONS \(2019\), UK total trade: all countries, non-seasonally adjusted](#).

Table 2: Top 5 UK goods exports to and imports from Morocco, 2018 (HS2³, £ million)

Top 5 UK goods exports to Morocco	Value	Top 5 UK goods imports from Morocco	Value
Vehicles other than railway or tramway stock	162	Electrical machinery and equipment	134
Mineral fuels and oils	135	Vehicles other than railway or tramway stock	126
Aircraft, spacecraft, and parts thereof	101	Articles of apparel and clothing, not knitted	87
Machinery and mechanical appliances	43	Edible vegetables	75
Electrical machinery and equipment	38	Edible fruit and nuts	69

Source: [HMRC trade statistics by commodity code](#) (accessed 7th May 2019). Sectors classified according to Harmonised System chapters. Data presented is recorded on a physical movement basis where a good is recorded as an export (import) if it physically leaves (enters) the economic territory of a country.

20. In 2018, the UK exported £388 million in services to Morocco and imported £571 million in services. Table 3 shows that in 2018 transportation services was the largest UK service exported to Morocco, valued at £242 million, travel services followed as the second largest export. Travel services was the largest UK service imported from Morocco, valued at £363 million, transportation services followed as the second largest import.

Table 3: Top 5 UK services exports to & imports from Morocco, 2018 (£ million)

Top 5 UK services exports to Morocco	Value	Top 5 UK services imports from Morocco	Value
Transportation	242	Travel	363
Travel	70	Transportation	160
Telecommunications, computer and information services	20	Other business services	20
Other business services	20	Government	11
Government	18	Manufacturing	9

Source: [ONS, \(2019\). UK trade in services by partner country experimental data: April to June 2019 ONS](#) (accessed 28th October 2019).

ONS data is recorded on a 'balance of payments' or 'change of ownership' basis where a good or service leaving (entering) the economic territory of a country is recorded as an export (import) only

³ The Harmonized System (HS) is an international nomenclature for the classification of products. It allows participating countries to classify traded goods on a common basis for customs purposes.

if it has changed ownership between a resident of the reporting country and non-residents. Goods exports (imports) are recorded by HMRC if a good physically leaves (enters) the economic territory of a country.

UK businesses exporting to and importing from Morocco

21. In 2017, HMRC estimated that around 2000 VAT-registered UK businesses exported goods to, and around 700 VAT-registered UK businesses imported goods from, Morocco.⁴ As these figures include only businesses trading in goods, they are likely to underestimate the number of businesses trading with Morocco.
22. For context, provisional survey data from the ONS shows that around 340,500 (non-financial) registered businesses in Great Britain traded either goods or services or both in 2017 with another country.⁵ This was just under 15% of all VAT/PAYE registered businesses. There were around 203,900 (non-financial) registered businesses in Great Britain engaged in goods trade with another country and 194,600 (non-financial) registered businesses trading in services in 2017. Some of these businesses traded in both goods and services. There will be other businesses trading internationally which are not identified by these surveys as they are not registered for VAT. Neither of these sources include businesses trading below the VAT registration threshold.

Economic impact of the EU-Morocco Association Agreement

23. The EU-Morocco Association Agreement, which progressively liberalised trade in industrial, agricultural, processed agricultural, fish and fishery products, was signed in 1996 and entered into force in 2000. The EU and Morocco have also adopted the EU-Morocco Dispute Settlement Mechanism Agreement, which entered into force in 2012.
24. A 2018 European Commission report looking at implementation of EU free-trade agreements included information on the EU-Morocco Association Agreement.⁶ It highlighted that between 2002 and 2017 EU exports to Morocco increased by 186% and EU imports from Morocco increased by 133%. However, a 2017 study looking at European economic integration agreements found that the EU-Morocco Association Agreement did not have a statistically significant impact on trade flows.⁷

Potential loss to the UK if the UK-Morocco Agreement is not brought into effect

25. The UK-Morocco Agreement not being applied would result in UK businesses losing the preferences negotiated in the EU-Morocco Association Agreement. This would include the re-imposition of many tariffs, returning to World Trade Organization (“WTO”) Most-Favoured-Nation (“MFN”) treatment with Morocco. Any benefits derived from trading under preferences within the EU-Morocco Association Agreement, may then be reversed.
26. It is unlikely that the entire effect of the EU-Morocco Agreements would disappear. Tariffs would revert to MFN rates, but it could take longer for some of the other benefits to be lost.

⁴ HMRC, (2018). [Regional trade statistics interactive analysis: second quarter 2018](#).

⁵ ONS, (2018). Annual Business Survey: Non-financial business economy, exporters and importers in Great Britain 2017.

⁶ European Commission (2018), Individual reports and info sheets on Implementation of EU Free Trade Agreements.

⁷ Soete S and Van Hove J. (2017), Dissecting the Trade Effects of Europe’s Economic Integration Agreements, *Journal of Economic Integration*, 32(1), pp. 193-243.

Some gains might endure even in the long-term. For example, the UK might still benefit from any regulatory arrangements agreed because of the EU-Morocco Association Agreement. Business connections formed because of the EU-Morocco Association Agreement might also endure.

27. The size of the impact of not bringing into force or applying the UK-Morocco Agreement would depend on the responsiveness of trade flows to increased costs brought about by the loss of access to the preferences provided under the Agreement.⁸

Immediate impact if not brought into effect

Impact of tariffs under current MFN rates

28. Much international trade in goods takes place in products for which MFN rates are already zero. However, free-trade agreements provide additional opportunities by reducing tariffs in products where this is not the case. If the UK-Morocco Agreement is not brought into effect, tariffs between the two countries would revert to MFN rates, other than where Morocco benefitted from preferential access to the UK market under a unilateral preference scheme that the UK is implementing after EU exit (the “UK GSP”, see paragraph 33). This would lead to an increase in duties on some UK exports to and imports from Morocco.
29. To estimate the potential impact of losing tariff preferences, assumptions have to be made. If all current trade between the UK and Morocco occurred at the negotiated preferential tariff rate, if current patterns of trade remained unchanged in future, and without taking into account the effect of unilateral preferences other than the UK’s GSP tariff rates, reverting to Morocco’s current MFN tariff rates and the UK’s GSP tariff rates would result in an annual increase in total duties of £78 million. This would predominately be duties on UK exports increasing by £43 million, with duties on imports increasing by around £35 million.¹⁰
30. However, these estimates assume that all tariff preferences offered under the current EU-Morocco Association Agreement are fully utilised by exporters. This is unlikely to be true. For example, in 2016, the evidence suggests that 72% of the UK’s eligible goods exports to Morocco (defined as those which occurred under tariff lines where a preferential rate was offered under the EU-Morocco Association Agreement) actually utilised the tariff preferences.¹¹ DIT estimates suggest that 97% of the UK’s eligible goods imports from Morocco in 2016 were

⁸ Head K and Mayer T (2014), '[Gravity Equations - Workhorse, toolkit and cookbook](#)', *Handbook of International Economics*, 4, pp. 131-195.

⁹ Tariff schedules used in this impact assessment are the applied tariff rates, not bound tariff rates.

¹⁰ DIT calculations using tariff data from [ITC Market Access Map \(MacMap\)](#) and [HMRC trade statistics](#) (accessed March 2019). Implied additional duties are calculated using the difference in MFN and preferential tariff rates (simple average tariffs at HS6 level) and the 2018 value of trade for each product at HS6 level. Different approaches and data sources for this analysis are likely to yield different results. The estimate of implied additional duties may be different to that which would be generated if trade and tariff data at a more disaggregated level (CN8 level) were used. Calculations also assume trade is not eligible for duty relief under inward/outward processing rules, nor eligible for relief under specific plurilateral agreements such as those covering civil aviation and pharmaceuticals. The estimate of implied additional duties may be different to that which would be generated if trade and tariff data at a more disaggregated level (CN8 level) were used.

¹¹ Nilsson L and Preillon N. (2018). '[EU Exports, Preferences Utilisation and Duty Savings by Member State, Sector and Partner Country](#)'. *European Commission*, pp. 1-17. This report uses data collected by EU Delegations from relevant authorities in countries with which the EU has bilateral reciprocal Association Agreements in place.

imported utilising the preferences under the EU-Morocco Association Agreement.¹² This means that the actual increase in duties could be lower than the estimates above.

31. The total duty which would in fact be charged on exports and imports would also depend on how quantities and prices of traded products adjusted to the imposition of tariffs. If UK producers were not previously utilising the preferential rates, or producers and consumers changed their behaviour in response to higher tariffs, this cost would be lower than estimated above. These are strong assumptions, so this figure should be treated as an indicative estimate of the magnitude of the trade barrier under this scenario.
32. The indicative estimates show that the largest implied increases in UK export duties would be for vehicles other than railway or tramway stock (HS87) of around £12 million, and beverages, spirits and vinegar (HS22) of under £6 million.
33. The UK is implementing a unilateral preferences scheme as it leaves the EU, it is the Government's intention that countries that currently benefit from preferential access to the EU through the Generalised Scheme of Preferences (GSP) would continue to receive the same access through a new UK trade preferences scheme.¹³ At the point of the UK's exit, from the EU, the UK will follow the EU's GSP eligibility criteria. Morocco is classified as a Lower-Middle Income Country by the World Bank, as such Morocco would be eligible for unilateral preferences under the UK's GSP. This would provide tariff reductions, but not the same level of access as that offered by an Association Agreement. Higher income partner countries would not benefit from these unilateral preferences.
34. Accounting for unilateral preferences, the largest implied increases in import duties would be in apparel and clothing accessories, not knitted (HS62) of around £8 million and edible fruits and nuts (HS8) of just under £8 million.
35. Indicative estimates of implied additional tariff duties are provided above to give a sense of scale of possible additional costs of trade. Tariff duties are transfers, where the cost to business is equal to the extra tariff revenue collected by the UK Exchequer and Moroccan Government. However, there could be wider effects of increased costs of trade, including negative impacts on consumer choice, prices, and ultimately economic growth and welfare.

Businesses

36. Additional duties could be absorbed by either UK or Moroccan businesses (depending on whether it is the importer or exporter paying the duty), be passed on to consumers, or existing

¹² DIT calculations using data from [Eurostat](#) (accessed 19th November 2018). Note that using a single year does not account for fluctuating trends in bilateral trade flows, which can be significant. In general, data on the preference utilisation of trade deals is not readily accessible and should be treated with caution. They indicate whether businesses trading in goods are benefitting from negotiated preferences, but do not tell us which or how many businesses are using these preferences. Nor do they cover services trade.

¹³ The Taxation (Cross-Border Trade) Act 2018 enables the UK to put in place a UK trade preferences scheme for developing countries. The necessary secondary legislation is now well advanced, and regulations will be laid in Parliament ahead of the UK leaving the EU. The Government intends to put in place a trade preference scheme which maintains the preferential market access the UK currently offers to around 70 developing countries under the EU's Generalised Scheme of Preferences (GSP). This will grant duty-free, quota-free access to Least Developed Countries which is a target in the UN's Sustainable Development Goals and is in line with our commitments in the WTO. It will also maintain the generous tariff reductions for other developing countries.

trade patterns could be interrupted. This could impact on the competitiveness of UK businesses, leading to disruptions in supply chains and job losses in the short-term.

37. Businesses that rely on imports as part of their supply chains may be affected if import prices rise, including UK exporters that rely on Moroccan inputs to export goods to the rest of the world. In 2015 (latest data), around 15.1% of the value added in the UK's gross exports reflected imports from abroad, though the data does not provide how much of this added value comprises imports from Morocco.¹⁴ UK companies which rely on Moroccan imports would also become less competitive. Given the small share of UK trade under the EU-Morocco Association Agreement, it is expected that any impacts would be relatively small, but could be noticeable for some specific companies.

Consumers

38. Imported products could be more expensive for consumers if retailers pass on additional duties to consumers through increases in domestic prices. This could disproportionately affect certain groups of consumers, for example those at the lower end of the income distribution, depending on the specific sectors affected. Consumers might also see a reduction in the choice of products and services available. Given the small share of UK-Morocco trade under the EU-Morocco Association Agreement, this impact may be relatively small overall, but could be noticeable on specific product lines.

Longer term impact if not brought into effect

39. In the long run, the UK would forgo the longer-term benefits that the UK-Morocco Agreement would have brought to UK. This could result in the long-term UK Gross Domestic Product ("GDP") marginally decreasing if the Agreement does not come into effect. Given the small share of UK trade under the EU-Morocco Association Agreement, we would expect the impact on GDP to be relatively small.

¹⁴ OECD, 2018. Trade in Value Added database: Origin of Value Added in Gross Exports 2018. Experimental statistics.

Explanation of this Agreement, including Significant Differences between the UK-Morocco Agreement and the EU-Morocco Agreements

40. The UK-Morocco Agreement follows the short form approach, explained above in paragraphs 8 to 11 of this report. Beyond the general *mutatis mutandis* changes explained above (see paragraphs 10 and 11), this section describes global changes made to continuity free-trade agreements following the short form approach and goes on to provide a detailed discussion of the UK-Morocco Agreement.

Nature of the EU-Morocco Agreements and of the UK-Morocco Agreement

41. Technical transition of the EU-Morocco Agreements with few necessary changes means that the substance of the new UK-Morocco Agreement is broadly the same. This includes on those issues of particular importance such as human rights and democratic principles.

General Provisions

Removal and replacement of references to the EU

42. Where necessary, any references to the “European Union”, “the European Community”, the “EU” and “Member States” are either not incorporated into the UK-Morocco Agreement or replaced by “the United Kingdom”. Similarly, references to EU institutions have either not been incorporated or replaced with appropriate references to the equivalent institutions in the UK.

Territorial Application

43. Territorial application provisions set out the territories to which the agreement in question applies, and how it applies to them. The territorial application of the EU-Morocco Association Agreement to the EU is defined by reference to the Treaties establishing the European Community and the European Coal and Steel Community.¹⁵ The UK-Morocco Agreement retains this provision and includes an additional article, Article 6, which clarifies that the UK-Morocco Agreement applies to the Parties, including in respect of the UK those territories for whose international relations the UK is responsible, to the extent that and under the conditions which the EU-Morocco Agreements applied immediately before they ceased to apply to the UK. The territories, other than the UK itself, to which the UK-Morocco Agreement applies are separated into the following categories based upon the application of EU law to date:

- a. the Crown Dependencies (Isle of Man, Bailiwick of Jersey, Bailiwick of Guernsey), to which, broadly, provisions relating to trade in goods and customs apply; and
- b. Gibraltar, to which, broadly, provisions not relating to trade in goods or customs apply

Continuation of Time Periods

44. Provisions of the EU-Morocco Agreements that require an action within a certain time period which has not yet ended under those Agreements become part of the UK-Morocco Agreement reflecting only the remaining time in which the action must occur. Where time periods in such provisions of the EU-Morocco Agreements have ended, any ongoing right or obligation continues to apply between the UK and Morocco (the “Parties”) and the time period is not incorporated into the UK-Morocco Agreement.

45. This is all provided for by Article 7 of the UK-Morocco Agreement, which also sets out an exception for time periods that relate to a procedure or other administrative matter, such as a review, committee procedure or notification. These periods are not affected and therefore ‘start again’ when the UK-Morocco Agreement comes into effect. Under Article 7, time periods can also be dealt with differently if the short form text provides otherwise.

Institutions and Committees

46. Most of the institutional provisions and bodies provided for in the EU-Morocco Agreements have been incorporated, *mutatis mutandis*. The primary bodies responsible for overseeing the operation and implementation of the UK-Morocco Agreement are the Association Council (the “Council”) and the Association Committee (the “Committee”). The Council and the Committee are comprised of representatives of the UK and Morocco.

¹⁵ The Treaty establishing the European Coal and Steel Community is no longer in force.

47. Article 8 confirms that the Committee, established under incorporated Article 81, is responsible for ensuring the Agreement operates properly. Article 8(2) further provides that, unless the Parties agree otherwise, the Council and the Committee are deemed to have adopted the decisions of the Association Council and Association Committee established under the EU-Morocco Association Agreement before the EU-Morocco Agreements ceased to apply to the UK, to the extent those decisions relate to the UK and Morocco, *mutatis mutandis*. This approach provides for continuity of effect as it ensures that the decisions in force when the EU-Morocco Agreements cease to apply to the UK continue to apply under the UK-Morocco Agreement if relevant in a bilateral context. Where appropriate, the Council or Committee may make decisions which modify, are different to, revoke or supersede those decisions (Article 8(3)).

Amendment Provisions

48. Amendment provisions set out the process to be followed if the parties agree to amend an agreement after it comes into effect. Although parties to an agreement are generally free to amend it as they deem necessary, amendment provisions serve to make the process clearer, more streamlined and transparent.
49. Article 10 of the UK-Morocco Agreement is an amendment provision which outlines the process to be followed if the Parties agree to amend the Agreement after it comes into effect. Article 10 provides that the Parties may agree, in writing, to amend the Agreement. Such amendments will enter into force on the first day of the second month following the date of receipt of the later of the Parties' notifications confirming that they have completed their internal procedures, or on such date as the Parties agree. In the UK, amendments to the UK-Morocco Agreement that are expressly subject to a formal exchange of notes to confirm completion of internal procedures would engage the Parliamentary scrutiny process set out in the CRaG Act.
50. Except where otherwise provided in the Agreement, the Council (or the Committee insofar as such powers are delegated to it) may also decide that the annexes, appendices, protocols, joint declarations and notes to the Agreement should be amended. The Parties may adopt the Council's or the Committee's decision, subject to their own internal procedures. It is in the UK's interests for the Council and the Committee to have this function to ensure continuity of effect of the EU-Morocco Agreements, as far as possible, and to streamline the process of making changes to the UK-Morocco Agreement where required.
51. The inclusion of an amendment provision in the UK-Morocco Agreement does not commit the UK to making any changes to the Agreement once it comes into effect. It simply sets out a process which may be used if needed. Therefore, the inclusion of an amendment provision is not expected to have an impact on the operability of the Agreement in a bilateral context.

Entry into Force and Provisional Application

52. Entry into force provisions specify the date from which the provisions of an agreement will bind the parties. Existing entry into force provisions in the EU-Morocco Agreements have been replaced with new provisions to ensure that, whatever the scenario in which the EU-Morocco Agreements cease to apply to the UK, the UK-Morocco Agreement comes into effect as swiftly as possible thereafter.
53. Article 11 of the UK-Morocco Agreement provides that the Agreement shall enter into force on the later of:
- a. the date on which the EU-Morocco Agreements cease to apply to the UK; and
 - b. the date of the later of the notifications by which the UK and Morocco notify each other that they have completed their respective legal procedures.

54. For the UK-Morocco Agreement to enter into force, both Parties must first complete their domestic legal procedures required for entry into force. In UK domestic law, before an agreement subject to ratification (as the term is defined in domestic law) may be brought into force, it must be laid before Parliament for scrutiny in accordance with the CRaG Act.
55. Notwithstanding Article 11(1) and (2), the UK-Morocco Agreement will only apply to Gibraltar, the Channel Islands and the Isle of Man from the date of written notification by the UK to Morocco of the application of the Agreement to those territories (Article 6(3)).
56. Provisional application is a mechanism which allows an agreement to be applied prior to entry into force. This means that the agreement can be provisionally applied prior to completion of the procedures required by the domestic law of the respective negotiating states for its entry into force, provided that any necessary domestic implementing measures are in place. Where the UK and the relevant partner country have agreed that a trade continuity agreement may be provisionally applied from (at the earliest) the date the underlying EU agreement ceases to apply to the UK, the agreement may be operated provisionally from that date if this becomes necessary while, in the case of the UK, the procedures set out in the CRaG Act are completed. A number of the existing EU agreements provide for provisional application and were provisionally applied by the UK as an EU Member State.
57. In the event that provisional application is necessary to ensure continuity of the UK-Morocco trade, political, economic and social cooperation relationship, Article 11(4) of the UK-Morocco Agreement provides that the UK and Morocco may agree to provisionally apply the Agreement, or provisions of it, by an exchange of notifications. Such provisional application shall take effect on the later of:
- a. the date on which the EU-Morocco Agreements cease to apply to the UK; and
 - b. the date of the later of the Parties' notifications.
58. Article 11(5) further provides that either Party may terminate the provisional application of the UK-Morocco Agreement, or provisions of it, by written notification to the other Party. Such termination shall take effect on the first day of the second month following notification. Provisional application will, by operation of law, automatically terminate once the UK-Morocco Agreement enters into force.
59. Where the UK-Morocco Agreement is, or provisions of it are, provisionally applied, the term "entry into force" in the UK-Morocco Agreement is deemed to refer to the date that provisional application takes effect. Notifications of the UK pursuant to Article 11 are to be submitted to the Ministry of Foreign Affairs and International Cooperation of Morocco or its successor. Notifications of Morocco pursuant to Article 11 are to be submitted to the UK's Foreign and Commonwealth Office or its successor.
60. Given that the Government is seeking to maintain the effects of the existing EU agreements as the UK leaves the EU, providing for the possibility of provisional application is a proportionate approach to manage the timing constraints during this unique period and to reduce the risk of businesses and consumers experiencing disruption as the UK leaves the EU.

Trade Remedies and Dispute Settlement

61. Trade remedies provide a safety net for domestic industry against unfair or injurious trading practices caused by dumped, subsidised or unexpected surges of imports of goods. Most WTO Members have a trade remedies regime. The UK will operate its own regime once outside the EU.

62. The economic benefits of trade and association agreements can only be realised if they are faithfully implemented and complied with. A dispute settlement mechanism in an agreement signals the parties' intention to abide by the agreement, thereby increasing business and stakeholder confidence that the commitments set out in the agreement can, and will, be upheld. The dispute settlement mechanism, therefore, provides an important deterrent function. It also provides an effective mechanism for enforcing those commitments, and for resolving any disputes arising under the agreement in question.
63. The UK-Morocco Agreement replicates the effects of the trade remedies and dispute settlement provisions in the EU-Morocco Agreements, *mutatis mutandis*.
64. One of the impacts of transitioning the dispute settlement provisions in the existing EU trade agreements is that, in the event that a dispute arises, the UK will be directly responsible for any relevant costs associated with the dispute settlement process.

Approximation

65. Provisions regarding legal approximation are used by the EU in trade and association agreements to bring, or to aim to bring, third country legislation closer to that of the EU in areas covered by the agreement in question.
66. Unless their removal affects market access, provisions mandating or promoting the gradual approximation of legislation between the EU and Morocco have been removed or amended as appropriate (for example in the case of Article 53). Maintaining these commitments would, when read *mutatis mutandis*, require our partners to approximate to both the UK and the EU's legislation, thereby creating an inappropriate commitment in a bilateral context. This change is not expected to have a direct impact on trade.

Annexes and Protocols

Goods

67. Goods chapters in trade and association agreements set out the treatment and the level of access to the domestic market granted to goods of the respective parties. Such provisions include setting tariff levels and quotas on various products, establishing agricultural safeguards and determining the rules of origin for goods to qualify for preferential treatment. Commitments on tariffs for both the UK and Morocco have, other than in those cases detailed below, been transitioned without changes. This means that under the UK-Morocco Agreement tariff preferences applied by the UK for products from Morocco will remain the same as those applied by the EU on the date the UK ceases to be bound by the EU-Morocco Association Agreement, and, likewise, Morocco will continue to apply the same tariff preferences to products from the UK that it is applying to products from the EU covered by the EU-Morocco Association Agreement.
68. The only exception to tariff commitments being transitioned without modifications relates to the size of tariff-rate quotas (see below), which can be found in Sections 8 and 9 of Annex I to the UK-Morocco Agreement (concerning Protocol 1 and Protocol 2 of the EU-Morocco Association Agreement, as incorporated) where these have to be resized to address the fact that the UK will no longer be a member of the EU. These changes are detailed further below.

Tariff-Rate Quotas

Justification for policy change

69. Tariff-rate quotas (“TRQs”) allow a certain quantity of a product to enter the market at a zero or reduced tariff rate. Imports above the quota are subject to a higher tariff rate – usually the MFN rate. The EU has agreed TRQs, both for imports to the EU and exports to partner countries, in some of its trade and association agreements. In order for products to be able to continue to benefit from the use of these TRQs bilaterally in trade between the UK and third countries, these quotas need to be present in the new UK agreements with those partners.
70. TRQs administered by the UK and partner countries have been resized to reflect the fact that the UK is a smaller import and export market than the EU. Solutions were agreed with partner countries to set quotas to a sufficient level that would allow for continuity of historic trade flows, in most circumstances, for importers and exporters from both sides.
71. Where possible, TRQs have been resized based on three years’ worth of customs data, which detail actual usage of the TRQs by importers. This customs data is held by HMRC which records the volume and date of entry of shipments of goods that enter the UK claiming TRQ preferences. Where three years’ worth of customs data is not available, trade flow data has been used instead. In order to address future market access opportunities for UK and Moroccan businesses, it was also agreed that a minimum level of access should be provided for all quotas, based on a proxy measure relevant to UK trade. Doing so allows future market access opportunities for UK and Moroccan businesses using a fair, evidence-based methodology.
72. The agreed share has been applied to the TRQ volume at the time of signature, to account for any increases since the EU-Morocco Association Agreement first entered into force.
73. The TRQs provided in the UK-Morocco Agreement have been calculated using customs and trade flow data.

Impacts

74. Without transitioning the TRQs from the EU-Morocco Association Agreement into the UK-Morocco Agreement, and without any other mitigating actions, goods imported from Morocco that are currently covered by TRQs in the EU-Morocco Association Agreement could face MFN tariffs. This could make these imports more expensive. The nature of the impact of this will depend on a number of factors, including existing trading patterns and the behaviour and responsiveness of domestic consumers and businesses to the change in tariff. UK imports from Morocco based on trade data (at HS6 level) of products that are currently covered by TRQs¹⁶ were worth £66 million in total in 2018,¹⁷ equivalent to 9.6% of total UK goods imports from Morocco.¹⁸
75. Based on historical usage of the quotas, it is expected that the overall, immediate impact on UK producers and consumers resulting from this approach to resizing TRQs would be limited.
76. In the case of Morocco, a bespoke solution has been agreed to remove the monthly sub-allocation administration system for the inward TRQ relating to the product 'Tomatoes, fresh or chilled' (HS Code 0702 00 00). The removal of the monthly sub-allocation was a measure taken to guarantee the TRQ could be operationalised in the UK as soon as the Agreement comes into effect.

¹⁶ Trade data at HS6 level. Products covered by quotas taken from the EU's [TARIC database](#).

¹⁷ HMRC, UK trade statistics data. <https://www.uktradeinfo.com/trade-data/>, 2018 average. It should be noted that not all commodity codes within the HS product codes will be covered in every TRQ. Further, it is not necessarily the case that all trade in products under the quota will enter under this access commitment. As such, estimates based on HS6 data are likely to give an upper bound to the volume of imports and exports covered by the TRQ.

¹⁸ Please note this estimate uses HMRC data, which is necessary for analysis at this level of granularity, whereby trade is measured using the cross-border approach rather than a change in ownership. It will not, therefore, tally with the economic background section, where ONS estimates (which use the latter approach) are used.

Inward TRQs

Table 4: List of TRQs from Morocco to the EU and new quota volumes in the UK-Morocco Agreement

Quota No.¹⁹	Product description	New UK quota volume (tonnes)	
091100	Garlic, fresh or chilled	204	
091101	Fresh strawberries, from 1 May to 31 May	136	
091103	Chemically pure fructose in solid form	82	
091104	Tomatoes, fresh or chilled, from 1 October to 31 May	42842	
091192/091193	Tomatoes, fresh or chilled, from 1 November to 31 May	4668 ²⁰	
091118	Fresh strawberries, from 1 April to 30 April	490	
091130	Fresh clementines, from 1 November to end of February	29173	
091133	Courgettes, fresh or chilled, from 1 October to 20 April	7627	
091137	Cucumbers, fresh or chilled, from 1 November to 31 May	2288	

¹⁹ Inward quotas, which are administered by the European Union, each have a unique order number. Further information about existing EU quotas can be found on the EU Customs and Taxation website:

http://ec.europa.eu/taxation_customs/dds2/taric/quota_consultation.jsp?Lang=en

²⁰ Under the EU-Morocco Association Agreement, Morocco makes use of two separate quotas for fresh and chilled tomatoes. These volumes are found under Article 3 of Protocol 1 – this article has been omitted in the new UK agreement, as per paragraph 78, therefore the quota volumes are listed here.

Outward TRQs

Table 5: List of TRQs from the EU to Morocco and new quota volumes in the UK-Morocco Agreement

Product description	New Morocco quota volume (tonnes, except where specified)
Fowl of the species <i>Gallus domesticus</i> weighing not more than 185 g	82
Cream, of a fat content by weight exceeding 6 %	136
Milk and cream in powder, granules or other solid form, of a fat content by weight not exceeding 1,5 %, not containing added sugar or other sweeteners, in immediate packings of a net content not exceeding 5 kg	953
Milk and cream in powder, granules or other solid form, of a fat content by weight not exceeding 1,5 %, not containing added sugar or other sweeteners, in immediate packings of a net content exceeding 5 kg	272
Milk and cream, concentrated, not containing added sugar or other sweeteners, of a fat content by weight exceeding 8% (excluding milk and cream in powder, granules or other solid form, of a fat content by weight exceeding 1,5 %)	354
Milk and cream, concentrated, containing added sugar or other sweeteners	136
Buttermilk, curdled milk and cream, kephir and other fermented or acidified milk and cream, not flavoured nor containing added fruit, nuts or cocoa	41
Butter	2179
Dairy spreads	
Grated or powdered cheese of all kinds	14
Processed cheese, not grated or powdered	48
Blue-veined cheese	14
Other cheese, excluding cheese for processing falling within CN code 0406 90 01	136
Other cheese for processing	41
Poultry eggs, for hatching (excluding turkey or goose eggs)	27
Birds' eggs, not in shell, fresh, cooked by steaming or by boiling in water, moulded, frozen or otherwise preserved, whether or not containing added sugar or other sweetening matter, suitable for human consumption (excluding dried and egg yolks)	12
Natural honey	68
Carrots and other vegetables and mixtures of vegetables, dried, whole, cut, sliced, broken or in powder, but not further prepared	20
Peas (<i>Pisum sativum</i>), dried, shelled, whether or not skinned or split (excluding peas for sowing)	48
Kidney beans (<i>Phaseolus vulgaris</i>), dried, shelled, whether or not skinned or split (excluding beans for sowing)	20
Other dried leguminous vegetables, shelled, whether or not skinned or split, other than for sowing	490

Hazelnuts or filberts (<i>Corylus spp.</i>), fresh or dried, shelled, whether or not peeled	14
Avocados, fresh or dried	136
Grapes, dried	14
Pears, fresh, from 1 February to 30 April	41
Prunes, dried	27
Maize other than seed	1226
Semi-milled or wholly milled rice, whether or not polished or glazed	27
Maize (corn) starch	136
Soya oil and its fractions, whether or not refined, packaged	14
Low erucic acid rape or colza oils (fixed oils with an erucic acid content of less than 2 %) and their fractions, whether or not refined, but not chemically modified, (excluding crude oil and oil for technical or industrial uses other than the manufacture of foodstuffs for human consumption), packaged	82
Mushrooms, prepared or preserved otherwise than by vinegar or acetic acid	27
Potatoes, cooked, frozen	272
Peas (<i>Pisum sativum</i>) and beans (<i>Vigna spp.</i> , <i>Phaseolus spp.</i>), prepared or preserved otherwise than by vinegar or acetic acid, not frozen	41
Olives, prepared or preserved otherwise than by vinegar or acetic acid, not frozen	14
Jams, jellies, marmalades, purées and pastes of fruit other than citrus fruit, strawberries and apricots	82
Almonds and pistachios, roasted, and nuts and other seeds, including mixtures, prepared or preserved, in immediate packings of a content of less than 1 kg	27
Peaches including nectarines, prepared or preserved, not containing added spirit but containing added sugar	41
Fruit or vegetable juices, unfermented, concentrated	136
Mixtures of fruit juices, including grape must, and juices of vegetables (other than apples, pears, citrus fruit, pineapples and tropical fruit), without added sugar	41
Sparkling wine	409hl
Other wine of fresh grapes, in containers holding 2 litres or less	817hl
Other wine of fresh grapes, in containers holding more than 2 litres	1634hl
Sun-cured, oriental-type tobacco, not stemmed/stripped Dark air-cured tobacco, not stemmed/stripped Tobacco partly or wholly stemmed/stripped but not further worked	82
Calves, with the exception of veal calves, weighing less than 150kg	5,448
Domestic bulls, excluding young bulls and fighting bulls	14
Domestic sheep, other than pure- bred breeding animals	7
Domestic goats, other than pure- bred breeding animals	7
High-quality bovine meat destined for classified hotels and restaurants	545
Standard beef	204
Sheep and goat meet, excluding meat from ewes and nanny-goats	Unlimited

Chicken, roosters and turkeys, whole, chilled or frozen	54
Thighs and wings of chicken and roosters, in cuts with bone in, chilled or frozen	54
Thigh meat from whole skinless chickens, deboned but not mechanically deboned, frozen	68
Other meat from deboned but not mechanically deboned chickens and roosters, not crushed, frozen	95
Meat from deboned chickens and turkeys, whole, crushed and frozen	14
Meat from turkeys, deboned, crushed and frozen	191
Ultra high temperature treated milk (UHT)	204
Whole-milk powder	533
Whole milk powder in packages of more than 5 kg, not put up for retail sale	33
Dried field beans in grain form, excluding seed	272
Fresh or dried almonds, shelled	27
Apples, fresh, from 1 February to 31 May (extra class)	545
Durum wheat (August to May)	6810
Spelt, common wheat and meslin other than for sowing	Article 3(1) and Article 3(2) (2) ²¹
Products derived from common wheat: flour, semolina	14
Products derived from durum wheat: flour, semolina, etc.	14
Extra virgin olive oil	204
Virgin olive oil	68
Prepared meat products	136
Pasta	204
Pasta	415
Rice noodles	14
Diet pasta with gluten	27
Tomatoes, prepared or preserved otherwise than by vinegar or acetic acid (other than tomatoes whole or in pieces) in packings of more than 25 kg	136
Compound feeding stuffs for animals	5001

Entry Price System

77. The European Union's (EU) Entry Price System (EPS) is a variable tariff mechanism applying to 15 types of fruits and vegetables. The system applies to apples, apricots, artichokes, cherries, clementines, courgettes, cucumbers, lemons, mandarins, oranges, peaches/nectarines, pears, plums, table grapes and tomatoes during their respective, approximate European growing seasons.
78. Under the EPS, a specific duty is charged in addition to the *ad valorem* duty, whenever the price at which the goods are imported is below a pre-determined entry price. The specific duty varies depending on the difference between the entry price and the import price of the goods. In most cases, if the import price of the consignment undercuts the entry price by more than

²¹ If Moroccan production of common wheat (P) exceeds 2.1 million tonnes, this quota (Q) will be reduced in accordance with the formula: $Q \text{ (millions of tonnes)} = (2.59 - 0.73 * P \text{ (millions of tonnes)}) * 0.071$, with a minimum of 28,400 for Moroccan production of 3.0 million tonnes or more.

8%, the full bound tariff is applied. These entry prices and specific tariffs are bound in the EU's WTO Goods Schedule.

Justification for policy change

79. The UK is retaining the flexibility to implement an EPS following its withdrawal from the EU. Section 8(a) of Annex I to the UK-Morocco Agreement ensures the UK's right to operate an EPS, which reflects the EU EPS, at the time the UK-Morocco Agreement comes into effect.
80. This provision ensures that the UK's right to apply an EPS is incorporated into the UK-Morocco Agreement in line with the objective of continuity. However, the UK will have no obligation to apply an EPS

Impact

81. In the event that the UK applies an EPS, the Agreement provides that the *ad valorem* part of the duty is eliminated, but an additional specific duty is retained. Where preferential entry prices are stipulated in the EU-Morocco agreement, these would continue to be available to Morocco under the new UK agreement. This approach is consistent with the preferential terms outlined in the existing EU-Morocco Association Agreement. The UK retains the right to 'switch on' an EPS at any point after the Agreement comes into effect, but it does not have an obligation to do it.
82. The UK's WTO Goods Schedule (published 24 July 2018) replicates the entry prices and specific tariffs as bound in the EU's WTO Schedule. Any future UK Entry Price System will therefore have entry prices and specific duties no higher than those specified in the UK's WTO Goods Schedule.

Rules of Origin

83. In trade and association agreements, rules of origin ("RoOs") are used to determine the economic nationality of a good. In order to qualify for preferential tariff rates, a good must "originate" in one of the parties to the agreement. Trade and association agreements may also allow materials originating and/or processing in a country other than the exporting party to count towards meeting the specific origin requirements for preferential treatment, a process known as "cumulation".
84. There are two categories relevant to determining whether goods "originate" in the exporting country for the purposes of trade and association agreements:
- a. **Wholly obtained** – These goods are wholly obtained or produced entirely in a single country. Examples include: (i) mineral products extracted from the soil; and (ii) live animals born and raised there.
 - b. **Substantial transformation** – These goods are made from materials which come from more than one country, and the origin is, therefore, defined as that of the country where the goods were last substantially transformed. This can be determined in three ways:
 - I. **Value added** – This type of rule requires that a particular proportion of the final value of the product be added in the exporting country.
 - II. **Change in Tariff Classification ("CTC")** – This type of rule requires that the final product be sufficiently different from the imported materials so that it moves to a different tariff classification altogether.

III. **Specific processing or manufacturing** – These rules typically apply where value added or CTC rules may not adequately determine originating status, and where specific processes are required to meet originating criteria.

85. As a member of the EU, all UK content is currently considered as “originating” in the EU and UK exports are designated as “EU origin”. This means that originating materials from, and processing in, the UK and the rest of the EU-27 Member States can be used interchangeably in the UK’s bilateral trade with existing EU trade partners. This will no longer be the case when the existing EU trade and association agreements cease to apply to the UK.
86. At this point, the designation of UK exports will shift from “EU” originating to “UK” originating and EU content will (unless specific provision is made in the new UK continuity agreements) no longer count towards meeting the origin requirements for preferential treatment for either party. This change would have implications for goods traded between the UK, EU and Morocco.
87. To address these implications and to provide maximum continuity for business, the UK-Morocco Agreement provides that EU materials and processing can be recognised (i.e. cumulated) in UK and Moroccan exports to one another. The possibilities to cumulate with other countries, as per the EU-Morocco Association Agreement, are replicated in the UK-Morocco Agreement on the same terms. The cumulation arrangements are set out in detail in Title II (Definition of the concept of ‘originating products’) of the RoOs Protocol and are subject to satisfying certain conditions specified in the Agreement.
88. Morocco and the UK (as part of the EU) are currently contracting parties to the Regional Convention on pan-Euro-Mediterranean preferential rules of origin (the “PEM Convention”). The PEM Convention is a multilateral agreement that harmonises preferential rules of origin across the Euro-Mediterranean Free Trade Area and provides for cumulation between contracting parties to the PEM Convention. The EU and Morocco have not updated the bilateral RoOs Protocol to the EU-Morocco Association Agreement to apply the PEM Convention between themselves. As a result, the UK-Morocco Agreement transitions the provisions of Protocol 4 of the EU-Morocco Association Agreement with modifications.
89. The UK and Morocco have agreed a transitional provision that allows products which incorporate materials already imported from certain third countries with which cumulation is currently applicable (i.e. PEM contracting parties that the EU and Morocco have a trade agreement in place with) to continue to qualify for preferential treatment, provided the final product meets all of the other requirements of the UK-Morocco Agreement. The provision will apply for two years and relates only to materials which were in the UK or Morocco on the date of signature of the UK-Morocco Agreement, having been imported within the twelve months prior to that date. The UK will, in any case, continue to seek to conclude all continuity arrangements with existing trade partners. The transitional provision is set out in the Exchange of Notes, published alongside the text of the UK-Morocco Agreement.
90. The text of the RoOs Protocol can be found in Annex II of the UK-Morocco Agreement, as published on GOV.UK.

Impact

91. If cumulation of EU content for the UK and Morocco was not permitted under the UK-Morocco Agreement, some UK and Moroccan based exporters could find themselves unable to qualify for preferential treatment currently provided by the EU-Morocco Association Agreement.
92. UK exporters to Morocco who rely on EU inputs might have to revert to paying MFN tariffs if they continued using EU inputs, or they might have to review and reassess their existing supply and value chains as a result of this change to existing terms. The impact would, of course, vary across sectors.

93. The UK-Morocco Agreement provides only for trade between the UK and Morocco and does not provide for either the UK or Morocco's direct trade with the EU, including, for example, where UK and Moroccan based exporters use content from each other in exports to the EU.

Customs

94. The UK-Morocco Agreement incorporates the customs provisions of the EU-Morocco Agreements, *mutatis mutandis*. However, minor changes have been made to:

- a. Article 10 of Protocol 5, by removing the references to the provisions on confidentiality and information exchange applying to EU authorities;
- b. Article 14 of Protocol 5, by removing reference to the customs services of the European Commission;
- c. Article 15(1) of Protocol 5, by substituting text to note the precedence of the incorporated Protocol 5 over any incompatible provisions of any bilateral agreement on mutual assistance concluded between the UK and Morocco.

95. In addition, Article 15(2) of Protocol 5, which relates to the impact of any bilateral agreements between Morocco and an EU Member State on communication between the EU Commission and the customs authorities of that state, was not incorporated into the Agreement as this provision is no longer relevant in the bilateral context. We do not expect these changes to have an impact on trade flows.

Sanitary and Phytosanitary (SPS)

96. Sanitary and Phytosanitary (SPS) articles in trade agreements concern the application of food safety and animal and plant health regulations. SPS provisions in trade agreements allow countries to set standards and regulations that allow for the protection of human, animal or plant life and health. SPS provisions can increase transparency in trading by allowing the recognition of equivalent measures in relation to animal health, and import requirements, including health certification.

97. The right for the UK and Morocco to apply prohibitions or restrictions on trade in goods under the Agreement on the basis of various public policy reasons, including the protection of health and life of humans, animals or plants, is preserved through the incorporation of Article 28 of the EU-Morocco Association Agreement. All other provisions relating to Sanitary and Phytosanitary rules and regulations have been incorporated into the UK-Morocco Agreement, *mutatis mutandis*.

Intellectual Property

98. The UK-Morocco Agreement continues the UK's obligations to provide suitable and effective Intellectual Property ("IP") protection in line with international standards and to cooperate with Morocco on aspects of IP. It achieves this by incorporating the relevant provisions of the EU-Morocco Agreements, *mutatis mutandis*. The UK will remain a member of the World Intellectual Property Organization ("WIPO") and remain fully compliant with those WIPO treaties to which it is already a Party. The UK will also continue to comply with its obligations under the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights. The UK-Morocco Agreement also retains the obligation from the EU-Morocco Association Agreement which requires Morocco to ratify or accede to various international IP agreements. As the UK-Morocco Agreement replicates the effects of the current obligations under the EU-Morocco Agreements, there is not expected to be an impact on trade flows.

Government Procurement

99. In line with the EU-Morocco Association Agreement, the UK-Morocco Agreement does not include substantive public procurement obligations. However, the Parties retain as their aim a reciprocal and gradual liberalisation of their respective public procurement markets by incorporating the relevant government procurement provisions into the UK-Morocco Agreement, *mutatis mutandis*. This is not expected to have an impact on trade flows.

Technical Barriers to Trade

100. Technical Barriers to Trade (“TBT”) provisions in trade and association agreements cover aspects relating to technical regulations, standards and conformity assessment for goods. They play an important role in reducing non-tariff barriers for businesses, for example, through increasing the transparency of a trading partner’s regulatory requirements.

101. In the EU-Morocco Association Agreement, Articles 51 and 56(b) relate to TBT and, with the exception of Article 51(a), are incorporated into the UK-Morocco Agreement, *mutatis mutandis*. Article 51(a) relates to approximation of rules in standardisation, metrology, quality control and conformity assessment which, as explained in paragraphs 65 and 66 above, are not appropriate in a bilateral context. As such, there are no expected impacts on trade flows.

Competition and State Aid

102. Provisions in trade agreements relating to competition and State Aid help to ensure a level playing field exists for both parties.

103. References in the EU-Morocco Association Agreement to the EU’s competition and State Aid rules have not been incorporated into the UK-Morocco Agreement. These provide that certain practices in conflict with the Agreement shall be assessed on the basis of criteria arising from the application of EU rules and it would not be appropriate to replicate such provisions in a bilateral context. The removal of these provisions is not anticipated to impact on British businesses as they will continue to be subject to UK domestic law which will not conflict with the provisions of the UK-Morocco Association Agreement. The Agreement will not have any effect on the financial support the UK Government provides to domestic agricultural and fishing industries and is not expected to have any impact on trade flows.

Services

104. Services provisions in trade and association agreements set out the treatment and the level of access to the domestic market granted to that trade partner’s service suppliers and services. Commitments build upon the level of access and the treatment granted to all WTO Members, whilst protecting governments’ rights to regulate their domestic markets. In the EU’s trade and association agreements with third countries, the content of the services provisions and depth of the commitments undertaken vary considerably. The variety of these services provisions have, in some cases, necessitated a bespoke approach to deliver continuity in services commitments between the UK and the relevant partner country. Some agreements have not required amendment whilst others have required technical alteration to their text to deliver continuity of effect. Where such technical changes have been necessary, the effects have been replicated as far as possible.

105. The services provisions of the EU-Morocco Association Agreement are contained in Title III (Right of Establishment and Services), Title V (Economic Cooperation) and Title VI (Cooperation in Social and Cultural Matters). The incorporated services provisions in Title V have been amended as follows:

- a. references to Morocco adhering to or adopting Community standards are not incorporated. This is because it would be inappropriate to require Morocco to adhere to both EU and UK standards;
- b. reference to Morocco having access to Community research and technological development programmes in accordance with Community rules has been removed because these programmes are specific to the EU;
- c. references to Moroccan participation in networks of decentralised cooperation have not been incorporated because these networks are specific to the EU;
- d. reference to cooperation with regards to achieving closer common rules for financial services has been replaced with reference to establishing a dialogue on this;
- e. reference to “major trans-European communication routes” has not been incorporated, as this reference is EU specific; and
- f. reference to interconnecting the Parties’ energy networks has not been incorporated as such as commitment would be inappropriate in a bilateral context.

106. The above changes are not expected to have any direct impact on trade flows.

Wider Provisions

107. As part of our approach to seek technical replication of the EU agreements as the UK leaves the EU, we have also incorporated elements which go beyond trade. As with the trade focused provisions, we have amended these where necessary to ensure operability in the bilateral trade context.
108. Title VI of the EU-Morocco Association Agreement contains certain provisions relating to social security. In particular, Articles 65 and 67 provide that periods of insurance, employment or residence completed by Moroccan workers legally employed in EU Member States, including the UK, may be combined (aggregated) for the purposes of pensions, benefits (including sickness; maternity; invalidity; old-age; survivors’ benefits; industrial accident and occupational disease benefits; death; unemployment; and family benefits), and medical care for legally employed Moroccan workers and their families. Under the EU-Morocco Association Agreement, Moroccan citizens, who are legally working in the UK, are allowed to access family allowances in the UK for their family members resident in the UK. Pensions and some of the relevant benefits (in particular those concerning work related accidents, occupational illness and invalidity) can be accessed both in the UK and if they return to Morocco. In 2019, there were an estimated 24,000 migrants of Moroccan origin living in the UK and 1,000 individuals of UK origin living in Morocco.
109. The UK-Morocco Association Agreement makes technical amendments to Article 65 to allow for the continued aggregation of periods of insurance, employment or residence in the UK with periods of insurance, employment or residence in the EU-27 Member States.
110. To ensure that such aggregation is possible, the UK and EU will need to reach an appropriate arrangement which will allow both parties to share data relating to periods of insurance, employment or residence in the UK and the EU-27 Members States for the purpose of determining entitlements to pensions or other relevant benefits.

111. In a No-Deal scenario, the UK may not have an appropriate data sharing arrangement with the EU which allows for the aggregation of periods of insurance, employment or residence in the UK with periods of insurance, employment or residence in the EU-27 Member States. Accordingly, Articles 65 and 67, as incorporated into the UK-Morocco Agreement, have been amended to disapply the obligation on the UK to aggregate benefits with EU Member States until the UK and EU reach an appropriate data sharing arrangement, which would enable such an obligation to be implemented. The Council is empowered to determine that such arrangements are in place and to decide to apply the obligation, with or without modifications, or to replace it.

Human Rights

112. The provisions of the EU-Morocco Association Agreement concerning human rights are incorporated into the UK-Morocco Agreement, *mutatis mutandis*. Accordingly, the UK-Morocco Agreement provides that respect for human rights and democratic principles constitutes an essential element of the Agreement. In the event of a material breach of the UK-Morocco Agreement by one of the Parties, appropriate measures may be taken in accordance with international law, including the suspension of the Agreement. Incorporating these provisions is not expected to have a direct impact on trade flows

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