



Economic relations between Switzerland and the United Kingdom after Brexit (as of 29.03.2019)

Free trade agreement between Switzerland and the EU:

'Deal' scenario

In the event of the UK's orderly withdrawal from the EU, the free trade agreement between Switzerland and the EU¹ will continue to apply in dealings with the UK during the transition period, prospectively until 2020. During that period, the UK will continue to be treated as an EU Member State in contractual and customs terms, even though it will formally no longer be a member. For the companies concerned that means that the FTA can continue to be applied for trade between Switzerland and the UK until the end of the transition period. Until such time, nothing changes.

'No Deal' scenario

Should the United Kingdom and the EU fail to reach an agreement (No deal), the free trade agreement between Switzerland and the EU will cease to be applicable in dealings with the United Kingdom from the date of withdrawal. The trade agreement signed between Switzerland and the United Kingdom provides for the existing mutual rights and obligations under the Free Trade Agreement between Switzerland and the EU to continue on a bilateral level from the date of withdrawal. The provisions of the Free Trade Agreement between Switzerland and the EU (including Protocol No. 2 on Trade in processed agricultural products) will therefore be incorporated into a bilateral agreement between Switzerland and the United Kingdom.

For information relating to Protocol 3 of the FTA (regarding rules of origin) see information note on 'Preferential Rules of Origin (Protocol No. 3 FTA Switzerland-EU)'.

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¹ [SR 0.632.401](#).

Preferential rules of origin (Protocol No. 3 FTA Switzerland-EU)²

‘Deal’ scenario

In the event of the UK’s orderly withdrawal from the EU with a transition period, the provisions of the existing Protocol No. 3 on rules of origin will continue to apply during that period, prospectively until 2020. For the companies concerned, nothing would change. As is the case today, the rules of origin of the PEM Convention would continue to apply. Accordingly, the current possibilities for cumulation would remain, particularly with input materials from the EU. The issuance of certificates of origin would also remain unchanged in this case.

No-deal scenario

The trade agreement signed by Switzerland and the UK provides for the continuation of the rules of origin of the PEM Convention at bilateral level. However, due to the fact that the EU and the other parties to the PEM Convention would, in the case of the no-deal scenario, be considered third countries in the relationship between Switzerland and the UK, the following changes will arise.

Cumulation: In the case of raw materials originating in the EU, Swiss companies may cumulate the EU origin for exports to the UK or companies in the UK for exports to Switzerland, provided that a free trade agreement or an agreement on mutual administrative assistance in customs matters exists between the UK and the EU. This arrangement will apply for a transitional period of three years. In order to be able to cumulate exports to the UK or Switzerland with materials from other contracting parties to the PEM Convention, a free trade agreement must exist between Switzerland and the UK and these contracting parties. However, for exports to the EU and the other contracting parties to the PEM Convention, cumulation with raw materials originating from the UK will only be possible if free trade agreements exist between all parties involved, which provide for identical rules of origin with the corresponding possibilities for cumulation.

Direct shipment: In contrast to the direct shipment rule contained in the PEM Convention, consignments can be split in a third country (e.g. in the EU). Swiss companies that store originating goods in distribution warehouses in the EU or another third country must ensure that those goods are stored duty unpaid if they are later to be transported to the UK.

Transitional provisions: For consignments exported before the day the UK exits the EU but have not yet been cleared through customs, a proof of origin issued retrospectively by the exporter can be presented for preferential customs clearance for a period of 12 months. Such consignments must be provisionally customs cleared in Switzerland.

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² [RS 0.632.401.3](#)

Agreement on customs facilitation and customs security

Deal scenario

In the event of the UK's orderly withdrawal from the EU with a transition period, the terms of the agreement between Switzerland and the EU on customs facilitation and customs security³ will continue to apply to relations between Switzerland and the UK.

This means that businesses affected will not experience any changes. As is the case today, Switzerland, the EU, Norway and the UK will form a common security area in which it will not be necessary to declare goods prior to crossing the border and or to undergo security checks. The movement of goods between Switzerland and states that do not belong to the common security area will also be subject to the terms of the existing customs facilitation and security agreement.

No-deal scenario

In the event that no agreement is reached between the United Kingdom and the EU, the following changes will affect Swiss businesses:

- If the UK and the EU fail to conclude an agreement along the lines of the existing customs facilitation and security agreement, the UK will leave the common security area between Switzerland Norway and the EU and acquire third-country status.
- Consignments by land or air from Switzerland into the UK must be registered in advance with the Federal Customs Administration (FCA) in the same way as consignments to other third countries in accordance with the terms of the existing customs facilitation and security agreement. Any security checks will be conducted before the goods enter Switzerland.
- For consignments by land from the UK into Switzerland, the EU will require prior notification of consignments entering an EU country and will conduct security checks as necessary, as is the case for consignments from other third countries. Since the goods will then already be in the common security area, no further customs security measures will have to be taken when they are imported into Switzerland.
- Consignments by air from the UK into Switzerland will have to be declared to the FCA prior to crossing the border, as is the case for consignments from other third countries under the terms of the existing customs facilitation and security agreement. Any security checks will take place after the arrival of the goods in Switzerland. However, further security controls will be waived if these goods are subsequently forwarded from an airport in Switzerland to the EU.
- It is not yet clear whether the UK will also introduce customs security measures on the import and export of goods. If it decides to do so, consignments into the UK would also have to be declared prior to crossing the border.

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³ [SR 0.631.242.05](#)

Mutual administrative and legal assistance in customs matters

Deal scenario

In the event of an orderly withdrawal from the EU with a transition period, the following agreements between Switzerland and the UK will continue to apply:

- The 2004 agreement between Switzerland and the EU on combating fraud⁴;
- The additional protocol between Switzerland and the EU on mutual assistance in customs matters⁵;
- Legal assistance in customs matters: the European Convention on Mutual Assistance in Criminal Matters⁶ and the second additional protocol on the European Convention on Mutual Assistance in Criminal Matters⁷.

This means that no changes are expected either for the government administration or for private individuals and businesses in matters relating to mutual administrative and legal assistance.

No-deal scenario

In the event that no agreement is reached between the United Kingdom and the EU, Switzerland and the UK have agreed on how the existing mutual rights and obligations in the field of mutual administrative and legal assistance can be continued on a bilateral basis from the date of the UK's withdrawal from the EU. The above agreements would continue to be applied in the same way. This means that no changes are to be expected in mutual administrative and legal assistance either for government administration, private individuals or for businesses, provided that a corresponding bilateral agreement is put into effect.

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⁴ [SR 0.351.926.81](#)

⁵ [SR 0.632.401.02](#)

⁶ [SR 0.351.1](#)

⁷ [SR 0.351.12](#)

Agreement on mutual recognition in relation to conformity assessment (MRA):

Deal scenario

In the event of the UK's orderly withdrawal from the EU with a transition period, the provisions of the MRA⁸ between Switzerland and the EU will still apply to trade in industrial products between Switzerland and the UK. Manufacturers will be able to continue to sell their industrial products in Switzerland and the UK in the 20 product sectors covered by the MRA on the basis of a single assessment (conducted in Switzerland, the EU or the UK). Under these circumstances, business players will continue to be exempt from the obligations set out in the MRA. No changes are to be expected for the businesses and conformity assessment authorities concerned.

No-deal scenario

In the event that no agreement is reached between the United Kingdom and the EU, the agreement between Switzerland and the EU on mutual recognition in relation to conformity assessment (MRA) will cease to apply in bilateral trade relations between Switzerland and the UK as of the date of withdrawal.

Under the trade agreement signed between Switzerland and the UK, the product chapters in the MRA on motor vehicles, good laboratory practice (GLP) and good manufacturing practice (GMP) for medicines and certification of batches will continue to apply. For the remaining chapters of the MRA, the focus is on concluding a traditional MRA where possible in order to avoid double conformity assessment. The importing country undertakes to recognise the conformity assessments conducted in the exporting country if the product is manufactured in accordance with the technical requirements of the importing country and the conformity assessment is carried out by a conformity assessment body recognised by the exporting country. A similar system applies in the MRA between Switzerland and Canada. Discussions between Switzerland and the UK on this subject have not yet been concluded.

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⁸ [SR 0.946.526.81](#)

Agreement on Agriculture

Deal scenario

In the event of the UK's orderly withdrawal from the EU with a transition period, the Agreement on Agriculture⁹ between Switzerland and the EU will continue to apply with the UK during the transition period. During this time, existing agreements and customs arrangements will continue to apply with the UK as they do with EU member states. Businesses in Switzerland and the UK can continue to trade under the terms of the Agreement on Agriculture between Switzerland and the EU until the end of the transition period. In other words, nothing will change until that date.

No-deal scenario

In the event that no agreement is reached between the United Kingdom and the EU, the Agreement on Agriculture between Switzerland and the EU will no longer be applicable from the withdrawal date. The trade agreement between Switzerland and the UK provides for the continuing application of existing mutual rights and obligations in the Agreement on Agriculture between Switzerland and the EU as far as possible.

This will affect the various areas (annexes) of the Agreement on Agriculture in different ways:

Agreement on Agriculture annexes 1–3, 7, 8, 10, 12:

In the areas of the Agreement on Agriculture between Switzerland and the EU that are not based on harmonisation of legislation or recognition of regulations equivalence between Switzerland and the EU (customs quotas, free trade in cheese, geographical indications, wine and spirits, marketing standards for fresh fruit and vegetables), bilateral solutions may be agreed based on the Agreement on Agriculture between Switzerland and the EU. Trade relations in these areas can essentially be continued as before.

The rules of origin applicable to Annexes 1-3 of the Agreement on Agriculture refer to Protocol No 3 of the Free Trade Agreement (see note on Preferential Rules of Origin [Protocol No 3 Swiss-EU Free Trade Agreement]).

Agreement on Agriculture Annexes 4–6 and 9:

Owing to the harmonisation of legislation or recognition of the equivalence of regulations between Switzerland and the EU in these non-tariff areas, in a no-deal scenario it may not be possible to maintain the status quo for the areas covered by these annexes (plant protection, feedstuffs, seeds, agricultural products and organically produced food). This means that businesses and private individuals would only be able to import feed from the United Kingdom if the corresponding Swiss regulations were met. Only feedstuffs marketable in Switzerland could be imported. The same is true for seeds. Plants and plant products according to Annex 5 Part B of the Plant Protection Ordinance would require a plant protection certificate, involving notification of the Federal Plant Protection Service prior to import and a phytosanitary inspection upon entry into Switzerland. For import consignments entering Switzerland by land, these controls could be carried out at the point of entry into the Switzerland-EU common phytosanitary area (e.g. France, Belgium or the Netherlands depending on the route and means of transport used), as is the case for goods from other third countries. In the case of organic products, products certified as such in the UK would no longer be recognised as such in Switzerland without a bilateral agreement.

⁹ [SR 916.026.81](#)

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Agreement on Agriculture Annex 11 (Veterinary Agreement)

Deal scenario

In the event of the UK's orderly withdrawal from the EU with a transition period, the UK will continue to be part of the same veterinary area as Switzerland on the basis of the Veterinary Agreement and Annex 11 of the Agreement on Agriculture.¹⁰ There will therefore be no changes in relations between Switzerland and the UK in the veterinary field. For the companies and private individuals involved, the veterinary agreement between Switzerland and the EU will continue to apply unchanged to trade between Switzerland and the UK until the end of the transition period. In other words, nothing will change until such time.

No-deal scenario

In the event that no agreement is reached between the United Kingdom and the EU, the UK will no longer be part of the same veterinary area as Switzerland and will have third-country status. This status applies to all countries other than EU member states, Iceland and Norway. Animals and products of animal origin from a third country can only be imported into Switzerland under specific conditions.

If the UK leaves the EU without a deal, trade in animals and products of animal origin originating in the UK and entering Switzerland (and the rest of the veterinary area) may be interrupted until such time as the EU places the UK on its list of third countries. The EU alone can determine how long this interruption will last.

Under the Agreement on Agriculture, Switzerland adopts the EU's lists. As soon as the UK is recognised by the EU as a third country, it will again be able to export animals and products of animal origin into the EU and Switzerland, albeit under the EU's import regulations for third countries. Current legislation relating to the import, transit and export of animals and products of animal origin can be found on the [website of the Federal Food Safety and Veterinary Office \(FSVO\)](#):

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¹⁰ [SR 916.026.81](#)

Agreement on Government Procurement

Deal scenario

In the event of the UK's orderly withdrawal from the EU with a transition period, and if the UK continues to be a party to the multilateral WTO Agreement on Government Procurement, relations between Switzerland and the United Kingdom in the field of public procurement will continue to be governed by the said agreement and the existing bilateral agreement between Switzerland and the EU on specific aspects of public procurement.¹¹ This will also continue to be applicable to the United Kingdom during the transition period. This means that, under normal circumstances, nothing will change for the bidders and contracting authorities involved.

No-deal scenario

In the event that no agreement is reached between the United Kingdom and the EU, the trade agreement between Switzerland and the UK provides for existing mutual rights and obligations in the bilateral agreement on public procurement between Switzerland and the EU to continue to apply at bilateral level as of the withdrawal date. The provisions of the existing bilateral agreement between Switzerland and the EU, or those of the WTO Agreement on Government Procurement, will essentially be adopted in a bilateral agreement between Switzerland and the UK (if the United Kingdom is not yet party to the plurilateral WTO Agreement on Government Procurement at the time of withdrawal from the EU).

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¹¹ [SR 0.172.052.68](#)