

The UK government announces priorities for Free Trade Agreement negotiations and opens consultation on UK tariff schedule for countries with which it does not have an FTA.

UK Priorities for Free Trade Agreement Negotiations

On 6 February, the UK government made a [statement to Parliament](#) announcing the government's priorities for Free Trade Agreement (FTA) negotiations in the aftermath of Brexit. Alongside a general statement of the UK's championing of free trade, the priority countries for the UK to negotiate FTAs are the US, Japan, Australia and New Zealand. These will, of course, run in parallel with the negotiation of an FTA with the EU, which the government is committed to having in place by the end of 2020. The government aims to have FTAs covering 80% of the UK's overseas trade in place within three years.

The government's overarching priorities will be to remove tariffs and reduce non-tariff barriers to the benefit of UK consumers. However, the government has made clear that the National Health Service (NHS) and the price the NHS pays for drugs will not be up for negotiation. Similarly, the UK will not compromise on environmental protection and the commitment to tackle climate change, animal welfare, and food standards.

Consultation on UK Tariff Policy

Also on 6 February, the UK government launched a [consultation](#) on its future Most Favoured Nation (MFN) tariff policy for countries with which the UK does not have an FTA. This replaces the earlier "no deal" tariff schedule (which exempted 88% of imports from all tariffs), and takes the existing EU external tariff schedule as its starting point. The government proposes to simplify the tariff structure, remove tariffs from key inputs to production and remove tariffs where the UK has little or no domestic production.

For tariff simplification, the government proposes:

- Tariffs below 2.5% be abolished
- Any tariff below 20% will be rounded down to the nearest 2.5% (so, a 19.8% tariff would become 17.5%)
- Any tariff between 20% and 50% will be rounded down to the nearest 5%
- Any tariff above 50% will be rounded down to the nearest 10%

For inputs to production, the government has said that it will consider categories in three published lists: [Broad Economic Categories](#), [current tariff suspensions](#), and goods for which [Inward Processing](#) has been applied. The government will also look at the [current tariff suspensions](#) list when considering removal of tariffs where there is little or no UK production.

More background is given in an [information pack](#).

How We Can Help

Interested parties have until 5 March to respond to the consultation. We can:

- Provide background information on the policy priorities which lie behind this consultation
- Research the position on specific product tariffs
- Draft submissions for the consultation on your behalf

Our dedicated and multidisciplinary team can provide a full range of timely advice and assistance based on decades of pragmatic experience, attuned to the relevant context and tailored to the specific needs of each client.

We are uniquely situated – geographically and substantively – and qualified to assist clients in all manners of policy and legal matters stemming from Brexit. We can help clients adapt to (and, where appropriate, participate in) the process by which the new era of UK trade relationships with the EU and non-EU countries are created. We can assist in navigating the complex web of changing conditions for inbound investment into the UK and the new domestic and international frameworks that govern that activity.

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Key Contacts



Matthew Kirk

International Affairs Advisor, London
Public Policy International
T +44 20 7655 1389
E matthew.kirk@squirepb.com



Donald Moorehead

Senior Partner, Washington DC
Tax Strategy & Benefits
T +1 202 457 5212
E donald.moorehead@squirepb.com

Global Team



Jeremy Cape

Partner, London
Tax Strategy & Benefits
T +44 20 7655 1575
E jeremy.cape@squirepb.com



Frank Samolis

Partner, Washington DC
International Trade
T +1 202 457 5244
E frank.samolis@squirepb.com



James Wharton

Senior Advisor, London
Public Policy International
T +44 20 7655 1547
E james.wharton@squirepb.com



Edward Newberry

Partner, Washington DC
Public Policy
T +1 202 457 5285
E edward.newberry@squirepb.com



Wolfgang Maschek

Partner, Brussels
European Public Policy
T +322 627 1104
E wolfgang.maschek@squirepb.com



Robert MacLean

Partner, Brussels
International Trade
T +322 627 7619
E robert.maclean@squirepb.com



Annabel Mace

Partner, London
Labour & Employment
T +44 20 7655 1487
E annabel.mace@squirepb.com

