

## Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community

### PART FOUR

### TRANSITION

#### *Article 132*

#### **Extension of the transition period**

- 1 Notwithstanding Article 126, the Joint Committee may, before 1 July 2020, adopt a single decision extending the transition period for up to 1 or 2 years.<sup>(1)</sup>
- 2 In the event that the Joint Committee adopts a decision under paragraph 1, the following shall apply:
  - a by way of derogation from Article 127(6), the United Kingdom shall be considered as a third country for the purposes of the implementation of the Union programmes and activities committed under the multiannual financial framework applying as from the year 2021;
  - b by way of derogation from Article 127(1) and without prejudice to Part Five of this Agreement, the applicable Union law concerning the Union's own resources relating to the financial years covered by the extension of the transition period shall not apply to the United Kingdom after 31 December 2020;
  - c by way of derogation from Article 127(1) of this Agreement, Articles 107, 108 and 109 TFEU shall not apply to measures of the United Kingdom authorities, including on rural development, supporting the production of and trade in agricultural products in the United Kingdom up to an annual level of support which shall not be more than the total amount of expenditure incurred in the United Kingdom under the Common Agricultural Policy in 2019, and provided that a minimum percentage of that exempted support complies with the provisions of Annex 2 to the WTO Agreement on Agriculture. Such minimum percentage shall be determined on the basis of the last available percentage by which the overall expenditure under the Common Agricultural Policy in the Union complied with the provisions of Annex 2 to the WTO Agreement on Agriculture. In the event that the period by which the transition period is extended is not a multiple of 12 months, the maximum annual level of exempted support in the year for which the extended transition period covers less than 12 months shall be reduced pro rata;
  - d for the period from 1 January 2021 to the end of the transition period, the United Kingdom shall make a contribution to the Union budget, as determined in accordance with paragraph 3;
  - e subject to point (d) of paragraph 3, Part Five of this Agreement shall not be affected.
- 3 A decision of the Joint Committee under paragraph 1 shall:
  - a establish the appropriate amount of the contribution of the United Kingdom to the Union budget for the period from 1 January 2021 to the end of the transition period, taking into account the status of the United Kingdom during that period, as well as the modalities of payment of that amount;

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*Status: This is the original version (as it was originally adopted).*

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- b specify the maximum level of exempted support, as well as the minimum percentage thereof that shall comply with the provisions of Annex 2 to the WTO Agreement on Agriculture, as referred to in point (c) of paragraph 2;
- c lay down any other measure necessary for the implementation of paragraph 2;
- d adapt the dates or periods referred to in Articles 51, 62, 63, 84, 96, 125, 141, 156, 157 and Annexes IV and V to reflect the extension of the transition period.

- (1) In case of extension, the Union will notify other parties to international agreements thereof.