

Thursday, 2 March 2023.

**To: Members of the Cyprus-UK Business Association**

Dear Members,

**The Windsor Framework: New agreement between UK Prime Minister and President of the European Commission aimed at remediating post-Brexit problems in Northern Ireland**

The Windsor Framework will aim to reduce the number of checks regarding the trade between Northern Ireland and the United Kingdom. The proposal has a great possibility to be endorsed by the UK Parliament, as opposition parties have already expressed their support.

Below is an outline of the key changes which will be instigated by the Windsor Framework:

**1. Trading will now occur through a 'Green Lane' and a 'Red Lane'**

- Goods from Britain destined for Northern Ireland will travel through a new 'green lane', with a separate 'red lane' to exist for goods at risk of moving onto the EU. This is accompanied by a significant reduction in inspections and paperwork concerning the transfer of products to Northern Ireland through the 'green lane, whilst 'red lane' goods which will arrive in the EU will still require the same inspections.
- New data-sharing and labelling arrangements would be used to oversee the new system.
- Trading bans will be lifted for a variety of goods.
- Businesses which transfer goods to the United Kingdom from Northern Ireland will not be required to complete export declarations.

**2. VAT and Alcohol Duty**

- Whilst previously EU VAT rules could be applied in Northern Ireland, now with the Windsor Framework UK VAT and excise rules will apply to Northern Ireland for alcoholic drinks intended for immediate consumption and immovable goods such as heat pumps.

### 3. Pets, Parcels and Medicines

- Pet owners visiting Northern Ireland from Britain only must confirm that their pet is microchipped and will not move to the EU.
- Medicines for use in Northern Ireland will only require approval from the UK regulator.
- Parcels will not be subject to full customs declaration.

### 4. Stormont Break

- The Framework introduces a "Stormont Break", which allows the Northern Ireland Assembly to raise an objection to a new goods rule. This will only be triggered if at least 30 Members of the Northern Ireland Legislative Assembly from two or more parties sign a petition. Subsequently, once UK informs the EU that the break has been triggered, the rule cannot be implemented.
- This new process is not overseen by the European Court of Justice
- Disputes will only be resolved through independent arbitration.
- The EU has its own safeguard: if Northern Ireland starts to diverge significantly from the bloc's rules, the EU has the power to take "appropriate remedial measures"

### 5. Discarding of the Northern Ireland Bill

For more information or clarifications, please contact Mr. Menelaos Xenophontos, Board Secretariat of the Cyprus-UK Business Association, via phone at +357 22889706 or via email: [menelaos@ccci.org.cy](mailto:menelaos@ccci.org.cy).

Regards,

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Officer

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