PRESS RELEASE

PCA CASE No. 2024-45: UK-SANDEEL

(THE EUROPEAN UNION V. THE UNITED KINGDOM)

THE HAGUE, 2 MAY 2025

Publication of Ruling

In an arbitration under the Trade and Cooperation Agreement between the European Union and the United Kingdom of Great Britain and Northern Ireland regarding "the [United Kingdom's] decision to prohibit since 26 March 2024 the fishing of sandeel in English waters of the North Sea and in all Scottish waters", a <u>Ruling</u> has been published on the Case Repository of the Permanent Court of Arbitration ("PCA"). The PCA acted as Registry for the proceedings.

The Arbitration Tribunal issued its Ruling on 28 April 2025. Pursuant to <u>Procedural Order No. 1</u>, prior to the publication of the Ruling, each Party had seven days to consider whether any part of the Ruling should be designated as containing "Confidential Information," and the Parties had fourteen days to submit a joint redacted version of the Ruling.

The arbitration was instituted on 25 October 2024 when the European Union served on the United Kingdom a request for the establishment of an Arbitration Tribunal pursuant to Article 739 of the Trade and Cooperation Agreement.

The arbitration concerns the European Union's claims, as described in its <u>Written Submission</u> filed on 9 December 2024, that:

- i. the sandeel fishing prohibition is inconsistent with the United Kingdom's obligations under Articles 496(1) and (2) of the Trade and Cooperation Agreement, read together with Article 494(3)(c) of the Trade and Cooperation Agreement, because it is not "based" on the "best available scientific advice";
- ii. the sandeel fishing prohibition is inconsistent with the UK's obligations under Articles 496(1) and (2) Trade and Cooperation Agreement, read together with Article 494(3)(f) Trade and Cooperation Agreement, because it failed to have regard to the principle that such measures must be proportionate and non-discriminatory; and
- iii. insofar as the United Kingdom has adopted a fisheries management measure that is inconsistent with Article 496 of the Trade and Cooperation Agreement, read together with Article 494 of the Trade and Cooperation Agreement, the United Kingdom has therefore committed a consequential breach of its obligation to grant full access to its waters to fish in accordance with Article 2(1)(a) of Annex 38 Trade and Cooperation Agreement, because "the impairment of rights guaranteed by that provision is not justified or justifiable."

In its <u>Written Submission</u> filed on 9 January 2025, the United Kingdom requested the Arbitration Tribunal "to dismiss each of the [European Union]'s three claims" on the ground that the decision to prohibit the fishing of sandeel in English waters of the North Sea and in all Scottish waters did not breach any aspect of the Trade and Cooperation Agreement.

Following the filing of the Parties' Written Submissions, a hearing took place from 28 to 30 January 2025 at the Peace Palace, The Hague. The Parties' written submissions submitted before and after the hearing, as well as the transcripts and photos of the hearing, are publicly accessible through the PCA Case Repository (https://pca-cpa.org/en/cases/334/).

In accordance with Article 745 of the Trade and Cooperation Agreement, the Arbitration Tribunal issued an Interim Report on 27 March 2025. Each Party delivered to the Arbitration Tribunal a written request to review precise aspects of the Interim Report on 10 April 2025 and commented on the other Party's request on 15 and 16 April 2025, respectively.

In its Ruling of 28 April 2025, the Arbitration Tribunal, unanimously:

- i. DISMISSES the claim that the prohibition of fishing for sandeel in the waters of the United Kingdom is inconsistent with the United Kingdom's obligations under Articles 496(1) and (2) of the Trade and Cooperation Agreement, read together with Article 494(3)(c) of the Trade and Cooperation Agreement, with respect to the claim that it was not based on the best available scientific advice;
- ii. RULES that the prohibition of fishing for sandeel in English waters is inconsistent with the United Kingdom's obligations under Article 496(1) of the Trade and Cooperation Agreement, read together with Article 494(3)(f) of the Trade and Cooperation Agreement, on the grounds that there was a failure to have regard to the principle of applying a proportionate measure;
- iii. DISMISSES the claim that the prohibition of fishing for sandeel in Scottish waters is inconsistent with the United Kingdom's obligations under Article 496(1) of the Trade and Cooperation Agreement, read together with Article 494(3)(f) of the Trade and Cooperation Agreement, with respect to the claim that there was a failure to have regard to the principle of applying a proportionate measure;
- iv. DISMISSES the claim that the sandeel fishing prohibition is inconsistent with the United Kingdom's obligations under Article 496(1) of the Trade and Cooperation Agreement, read together with Article 494(3)(f) of the Trade and Cooperation Agreement, with respect to the claim that there was a failure to have regard to the principle of applying a non-discriminatory measure;
- v. RULES, in consequence of the ruling in (ii) above, that the United Kingdom is in breach of its obligation to grant full access to its waters to fish sandeel in accordance with Article 2(1)(a) of Annex 38 to the Trade and Cooperation Agreement.

Accordingly, the Arbitration Tribunal:

RULES that the United Kingdom is required to take the necessary measures to comply with the ruling of the Arbitration Tribunal set out in sub-paragraphs 747(ii) and (v) above, in order to bring itself in compliance with the covered provisions.

The three-member Tribunal was chaired by Dr. Penelope Jane Ridings, MNZM (a national of New Zealand). The other members were Professor Hélène Ruiz Fabri (France) and the Hon. Justice Mr. David Unterhalter (South Africa).

Further information about the proceedings is available on the PCA Case Repository (https://pcacpa.org/en/cases/334/).

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Background on the Permanent Court of Arbitration

The Permanent Court of Arbitration is an intergovernmental organization established by the 1899 Hague Convention on the Pacific Settlement of International Disputes. The PCA has 124 Contracting Parties. Headquartered at the Peace Palace in The Hague, the Netherlands, the PCA facilitates arbitration, conciliation, fact-finding, and other dispute resolution proceedings among various combinations of States, State entities, intergovernmental organizations, and private parties. The PCA's International Bureau is currently administering seven inter-state arbitrations, one other inter-state proceeding, 95 arbitrations arising under bilateral or multilateral investment treaties or national investment laws, 109 cases arising under contracts involving a State or other public entity, and 4 other proceedings. More information about the PCA can be found at www.pca-cpa.org.

Contact: Permanent Court of Arbitration

E-mail: <u>bureau@pca-cpa.org</u>