

## Article 1.2: Right to regulate, precautionary approach<sup>52</sup> and scientific and technical information

1. The Parties affirm the right of each Party to set its policies and priorities in the areas covered by this Title, to determine the levels of protection it deems appropriate and to adopt or modify its law and policies in a manner consistent with each Party's international commitments, including its commitments under this Title.
2. The Parties acknowledge that, in accordance with the precautionary approach, where there are reasonable grounds for concern that there are potential threats of serious or irreversible damage to the environment or human health, the lack of full scientific certainty shall not be used as a reason for preventing a Party from adopting appropriate measures to prevent such damage.
3. When preparing or implementing measures aimed at protecting the environment or labour conditions that may affect trade or investment, each Party shall take into account relevant, available scientific and technical information, international standards, guidelines and recommendations.

## Article 1.3 Dispute settlement

Title I [Dispute settlement] of Part Six [Dispute settlement and horizontal provisions] does not apply to this Chapter, except for Article 1.2(2) [Right to regulate, precautionary approach and scientific and technical information]. Articles 9.1 [Consultations] and 9.2 [Panel of experts] apply to Article 1.1(3) [Principles and objectives].

## Chapter two: Competition Policy

### Article 2.1: Principles and definitions

1. The Parties recognise the importance of free and undistorted competition in their trade and investment relations. The Parties acknowledge that anticompetitive business practices may distort the proper functioning of markets and undermine the benefits of trade liberalisation.
2. For the purposes of this Chapter, an “economic actor” means an entity or a group of entities constituting a single economic entity, regardless of its legal status, that is engaged in an economic activity by offering goods or services on a market.

### Article 2.2: Competition law

1. In recognition of the principles set out in Article 2.1 [Principles and definitions], each Party shall maintain a competition law which effectively addresses the following anticompetitive business practices:
  - a) agreements between economic actors, decisions by associations of economic actors and concerted practices which have as their object or effect the prevention, restriction or distortion of competition;
  - b) abuse by one or more economic actors of a dominant position; and

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<sup>52</sup> For greater certainty, in relation to the implementation of this Agreement in the territory of the Union, the precautionary approach refers to the precautionary principle.

c) for the United Kingdom, mergers or acquisitions and, for the Union, concentrations, between economic actors which may have significant anticompetitive effects.

2. The competition law referred to in paragraph 1 shall apply to all economic actors irrespective of their nationality or ownership status.

3. Each Party may provide for exemptions from its competition law in pursuit of legitimate public policy objectives, provided that those exemptions are transparent and are proportionate to those objectives.

#### Article 2.3: Enforcement

1. Each Party shall take appropriate measures to enforce its competition law in its territory.

2. Each Party shall maintain an operationally independent authority or authorities competent for the effective enforcement of its competition law.

3. Each Party shall apply its competition law in a transparent and non-discriminatory manner, respecting the principles of procedural fairness, including the rights of defence of the economic actors concerned, irrespective of their nationality or ownership status.

#### Article 2.4: Cooperation

1. To achieve the objectives of this Chapter and to enhance the effective enforcement of their respective competition law, the Parties recognise the importance of cooperation between their respective competition authorities with regard to developments in competition policy and enforcement activities.

2. For the purposes of paragraph 1, the European Commission or the competition authorities of the Member States, on the one side, and the United Kingdom's competition authority or authorities, on the other side, shall endeavour to cooperate and coordinate, with respect to their enforcement activities concerning the same or related conduct or transactions, where doing so is possible and appropriate.

3. To facilitate the cooperation and coordination referred to in paragraphs 1 and 2, the European Commission and the competition authorities of the Member States, on the one side, and the United Kingdom's competition authority or authorities, on the other side, may exchange information to the extent permitted by each Party's law.

4. To implement the objectives of this Article, the Parties may enter into a separate agreement on cooperation and coordination between the European Commission, the competition authorities of the Member States and the United Kingdom's competition authority or authorities, which may include conditions for the exchange and use of confidential information.

#### Article 2.5: Dispute settlement

This Chapter shall not be subject to dispute settlement under Title I [Dispute settlement] of Part Six [Dispute settlement and horizontal provisions].

#### Chapter three: Subsidy control