089377/EU XXVIII.GP
Eingelangt am 01/09/26

EUROPEAN
COMMISSION

Brussels, 1.9.2026
COM(2026) 458 final

Recommendation for a

COUNCIL DECISION

authorising the opening of negotiations on an agreement between the European Union and the United Kingdom under Article XXVIII of the General Agreement on Tariffs and Trade 1994 regarding the modification of its WTO import tariff concessions on steel and steel products

www.parlament.gv.at

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE RECOMMENDATION

• Reasons for and objectives of the recommendation

By communication G/SECRET/55 dated 19 March 2026, the United Kingdom notified the WTO Members of its intention to modify its import tariff concessions as they are currently binding the United Kingdom on all steel products between HS codes 72.06 and HS 73.07 by increasing the current duty binding of zero to 50% ad valorem, in accordance with the procedure laid down in Article XXVIII:5 of the General Agreement on Tariffs and Trade 1994 (GATT 1994). The current bindings being modified are detailed in Schedule XIX – United Kingdom and its subsequent addendums. This schedule is not yet formally in force but it reflects the tariff commitments which the UK actually has.

At the same time, the United Kingdom indicated it is ready to negotiate and consult with Members concerned (i.e. substantial suppliers, principal suppliers and initial negotiating right holders for the tariff lines concerned) pursuant to Article XXVIII GATT 1994. To this end, the United Kingdom has submitted import statistics by country of origin covering the last three years for which data are available.

According to Article XXVIII of the GATT 1994, the EU as the WTO Member principal supplier and substantial supplier interest for most of the tariff lines concerned by the proposed change of concession of the United Kingdom, has the right to negotiate with the United Kingdom on this proposed modification including possibly on appropriate compensation, in order to maintain a general level of concessions not less favourable to trade than before the change envisaged by the United Kingdom.

In accordance with the Procedures for Negotiations under Article XXVIII adopted by the GATT Council on 10 November 1980[1], on 16 June 2026 the EU presented a claim of interest as Member holding a principal supplier and substantial supplier interest on 373 tariff items of a total of 388.

The objective of this proposal is to obtain from the Council the authorisation for the Commission to open the negotiations pursuant to Article XXVIII of the GATT 1994 with the United Kingdom on this modification and possibly to agree adequate compensation for the EU following the United Kingdom's decision to withdraw certain tariff concessions for steel and steel products from Schedule of Concessions XIX – United Kingdom.

This proposal is without prejudice to the Commission’s Recommendation of 29 July 2015 (COM (2015) 369 final) authorising the opening of negotiations under Article XXIV:6 and/or XXVIII of GATT 1994 with WTO members modifying their tariff concessions.

• Consistency with existing policy provisions in the policy area

The recommendation is consistent with the EU common commercial policy and with the rules of the World Trade Organization.

• Consistency with other Union policies

The recommendation is consistent with other areas of the EU’s external action.

[1] Guidelines adopted on 10 November 1980, GATT documents C/113 and C/113/Corr.1, GATT BISD 27S/26-28.

www.parlament.gv.at

2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY

• Substantive legal basis

The Commission does not indicate the substantive legal basis when it recommends the Council to adopt a decision authorising the negotiations of an international agreement. Therefore, Article 218(3) and (4) should be indicated as legal basis for this proposal.

• Procedural legal basis

Article 218(3) TFEU provides that, where the agreement envisaged does not relate exclusively or principally to the common foreign and security policy, the Commission must submit recommendations to the Council. The Council must adopt a decision authorising the opening of the negotiations and nominating the Union negotiator or the head of the Union's negotiating team.

Article 218(4) TFEU provides that the Council may address negotiating directives to the negotiator and designate a special committee to consult the negotiator.

The Commission recommends to open negotiations between the European Union and the United Kingdom for an international agreement, relating to under Article XXVIII of the General Agreement on Tariffs and Trade 1994 regarding the modification of the WTO import tariff concessions on steel and steel products as currently binding to the United Kingdom. The Commission is to be nominated as negotiator.

The procedural legal basis for the proposed decision to authorise opening of negotiations of the envisaged agreement is Article 218(3) and (4) TFEU.

• Choice of negotiator

Given that the agreement envisaged exclusively covers matters other than the common foreign and security policy, the Commission should be nominated as the negotiator pursuant to Article 218(3) TFEU.

• Union competence

Negotiations under Article XXVIII GATT concern matters falling with trade policy. The common commercial policy is listed among the areas of exclusive competence of the Union in Article 3 of the TFEU.

• Subsidiarity (for non-exclusive competence)

According to Article 5(3) of the TEU, the subsidiarity principle does not apply in areas of exclusive EU competence, of which the common commercial policy is one.

• Proportionality

The present Recommendation proposes to the Council to authorise the Commission to open negotiations, on behalf of the EU, under Article XXVIII of the GATT 1994 with the United Kingdom. The United Kingdom notified WTO Members the intention to negotiate under Article XXVIII of the GATT 1994 in order to modify its import tariff concessions as they are currently binding the United Kingdom and reflected in its Schedule of Concessions XIX on all steel products covered between HS codes 72.06 and HS 73.07 by increasing the current duty binding to 50% ad valorem. According to WTO rules, the EU, as WTO member having negotiation and consultation rights on 373 tariff lines, has the right to negotiate with the United Kingdom appropriate compensation. The Commission recommendation proposed is

www.parlament.gv.at

therefore necessary in view of the objectives set out above and also in line with the principle of proportionality.

- **Choice of the instrument**

This recommendation for a Council decision is submitted in accordance with Article 218(3) and (4) TFEU, which envisage the adoption by the Council of a decision authorising the opening of negotiations and nominating the Union negotiator. The Council may also address negotiating directives to the negotiator. There exists no other legal instrument that could be used in order to achieve the objective pursued in this recommendation.

3. RESULTS OF EX-POST EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS

- **Ex-post evaluations/fitness checks of existing legislation**

Not applicable.

- **Stakeholder consultations**

Not applicable. According to the WTO rules, negotiations under Article XXVIII of the GATT 1994 must be conducted with the greatest possible secrecy.

- **Collection and use of expertise**

Not applicable.

- **Impact assessment**

Not applicable.

- **Regulatory fitness and simplification**

Not applicable.

- **Fundamental rights**

Not applicable.

4. BUDGETARY IMPLICATIONS

Not applicable.

5. OTHER ELEMENTS

- **Implementation plans and monitoring, evaluation and reporting arrangements**

Not applicable.

- **Explanatory documents (for directives)**

Not applicable.

- **Detailed explanation of the specific provisions of the recommendation**

Not applicable.

www.parlament.gv.at

Recommendation for a

COUNCIL DECISION

authorising the opening of negotiations on an agreement between the European Union and the United Kingdom under Article XXVIII of the General Agreement on Tariffs and Trade 1994 regarding the modification of its WTO import tariff concessions on steel and steel products

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 207(4), in conjunction with Article 218(3) and (4) thereof,

Having regard to the recommendation from the European Commission,

Whereas:

(1) The United Kingdom notified World Trade Organization ('WTO') Members on 19 March 2026 of its intention to launch negotiations under Article XXVIII of the General Agreement on Tariffs and Trade 1994 ('GATT 1994') in order to modify its import tariff concessions as they are currently binding the United Kingdom and reflected in its Schedule of Concessions XIX on all steel products covered between HS codes 72.06 and HS 73.07 by increasing the current duty binding to 50% ad valorem, in accordance with the procedure laid down in Article XXVIII:5 of the GATT 1994.

(2) The Union communicated its claim of interest to the United Kingdom on 16 June 2026 as a WTO Member holding a principal supplier interest and substantial interest on 373 tariff lines, with respect to the concessions which are the subject of negotiation and consultation under Article XXVIII of the GATT 1994.

(3) The Commission should therefore be authorised to open negotiations under Article XXVIII of the GATT 1994 with the United Kingdom in order to agree o the modification, including on adequate compensation for the Union following the United Kingdom's decision to modify certain tariff concessions for all the steel products covered between HS headings 72.06 and HS 73.07 from Schedule of Concessions XIX,

HAS ADOPTED THIS DECISION:

Article 1

The Commission is hereby authorised to negotiate, on behalf of the Union, an agreement with the United Kingdom, pursuant to Article XXVIII of the GATT 1994 for appropriate compensation, following the United Kingdom's decision to modify its import tariff concessions as they are currently binding the United Kingdom and reflected in its Schedule of Concessions XIX on all products between HS headings 72.06 and HS 73.07 by increasing the current duty binding to 50% ad valorem.

Article 2

The Commission is hereby nominated as the Union negotiator.

www.parlament.gv.at

Article 3

The negotiating directives set out in the addendum to this Decision are hereby addressed to the Commission.

Article 4

The negotiations shall be conducted in consultation with the Trade Policy Committee.

Article 5

This Decision is addressed to the Commission.

Done at Brussels,

For the Council
The President

www.parlament.gv.at

EUROPEAN
COMMISSION

Brussels, 1.9.2026
COM(2026) 458 final

ANNEX

ANNEX

to the

Recommendation for a Council Decision

authorising the opening of negotiations on an agreement between the European Union and the United Kingdom under Article XXVIII of the General Agreement on Tariffs and Trade 1994 regarding the modification of its WTO import tariff concessions on steel and steel products

www.parlament.gv.at

ANNEX

DIRECTIVES FOR THE NEGOTIATION OF AN AGREEMENT BETWEEN THE UNION AND THE UNITED KINGDOM UNDER ARTICLE XXVIII OF THE GENERAL AGREEMENT ON TARIFFS AND TRADE 1994 REGARDING THE MODIFICATION OF THE WTO IMPORT TARIFF CONCESSIONS ON STEEL AND STEEL PRODUCTS AS CURRENTLY BINDING TO THE UNITED KINGDOM

- The Commission should negotiate an agreement with the United Kingdom pursuant to Article XXVIII of the GATT 1994[1], following the United Kingdom 's decision to modify its import tariff concessions as they are currently binding the United Kingdom and reflected in its Schedule of Concessions XIX on all products between HS headings 72.06 and HS 73.07 by increasing the current duty binding to 50% ad valorem.

- The Commission should conduct the negotiations, with a view to agree with the United Kingdom on the modification and on adequate compensation following the United Kingdom's decision to modify its import tariff concessions on all products covered between HS headings 72.06 and HS 73.07 in its Schedule of Concessions XIX by increasing the current duty binding to 50% ad valorem.

- The Commission should follow the relevant WTO provisions, in particular Article XXVIII of the GATT 1994 and the Understanding on the Interpretation of Article XXVIII of the GATT 1994.

- The Commission should report to the Council on the outcome of the negotiations and, where appropriate, on any problem that may arise during the negotiations.

[1] https://www.wto.org/english/docs_e/legal_e/gatt47_e.htm.

www.parlament.gv.at