In the wake of the United Kingdom of Great Britain and Northern Ireland's (U.K.) withdrawal from the European Union (EU) on January 31, 2020, Global Affairs Canada has announced that the Comprehensive Economic and Trade Agreement between Canada and the EU (CETA) will continue to apply during to the newly separated U.K. during the Brexit transition period. Notice of this decision was published on February 1, 2020, in the Canada Gazette, Part 1.

According to the Global Affairs Canada press statement, Canada is looking forward to the EU and the U.K. coming to a mutually agreeable path for the U.K.'s departure from the EU.

Pursuant to the Withdrawal Agreement between the U.K. and the European Union, the U.K. is bound by the obligations arising from the numerous EU international agreements, including CETA, until the separation is formalized. The transition period is expected to last until December 31, 2020, but can be extended for one or two more years.

The Global Affairs Canada statement declared that, "Over the past few years in preparation of Brexit, our government has actively worked with U.K. ministers and government officials, including having our Prime Minsters directly engaged, to ensure a solid path forward," and that the Canadian government knows that, "continuity and stability is important for Canadians, as well as for our businesses and entrepreneurs as they export and do business with the U.K."

The Canadian Trade Commissioner stated that "Canadian firms will see no change in how they trade with the UK for the duration of the transition period." The Trade Commissioner also
pointed out that the Government of Canada will be keeping a close eye on UK-EU trade negotiations to see how Canada's trade with the UK might be affected: "Any future trade agreement between Canada and the U.K. would be influenced by the U.K.-EU trade relationship, as well as any unilateral U.K. approaches." The full statement from Global Affairs Canada is available here. The full press release from the Canadian Trade Commissioner is available here.

In a written statement to the U.K. Parliament on Monday, British Prime Minister Boris Johnson laid out his plan for a future relationship with the EU. Prime Minister Johnson wrote that, "the question for the rest of 2020 is whether the UK and the EU can agree to a deeper trading relationship on the lines of the free trade agreement that the EU has with Canada, or whether the relationship will be based simply on the Withdrawal Agreement deal agreed in October 2019."

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