

# The ABCs of **European Policy**



Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra

**Federal Department of  
Foreign Affairs FDFA**



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# Introduction

The EU and its member states are Switzerland's most important partners by far. This is due not only to the EU's political and economic weight, but also to Switzerland's close geographical and cultural proximity. More than half of Swiss goods exported go to the EU and around three quarters of goods imported into Switzerland originate from there.

Switzerland is not a member state of the EU but conducts its relations with the EU on the basis of sectoral bilateral agreements. Specific questions and issues are regulated with the EU via a series of agreements in clearly defined areas. Swiss-EU relations have developed and intensified over the decades. Since the Free Trade Agreement of 1972, an ever denser network of agreements has been developed in several steps. After the Swiss voters rejected an accession to the European Economic Area (EEA) in 1992, Switzerland and the EU concluded seven agreements in 1999 (Bilateral Agreements I). These were followed by the Bilateral Agreements II in 2004. These agreements provide both parties with privileged market access and form the basis for close cooperation in such key policy areas as research, security, asylum, the environment and cultural affairs. This bilateral approach allows Switzerland to conduct a policy of openness and close collaboration with all its European neighbours. It has been submitted to the Swiss electorate and endorsed at regular intervals. The Federal Council believes that it is still the most appropriate instrument for Switzerland's European policy at present.

As part of its European policy Switzerland acknowledges its responsibility towards Europe as a whole. Switzerland is an active member of the Council of Europe – an international organisation and not an association of states like the EU – and participates in multilateral efforts, for example as a member of the Organization for Security and Co-operation in Europe (OSCE), to promote peace in Europe. Switzerland is also a constructive partner of the EU in developing an efficient and environmentally sound transport policy, and it supports democratic and market-policy reforms in the former communist states of Central and Eastern Europe. In a spirit of solidarity, Switzerland is making a contribution to reducing economic and social disparities in the enlarged EU.

This publication explains important expressions used in European policy and thereby provides an overview of Switzerland's political and economic relations with the EU. The list is not exhaustive.



## Establishment of the European Communities

In 1957, the European Communities and Euratom were established with the signature of the Treaties of Rome. Economic integration contributed to the reconciliation between Germany and France following the Second World War, and thereby to stability and peace in Europe.

A symbol of European unification is the Europe bridge that connects the French city of Strasbourg to the German city of Kehl.

# Glossary

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## A

### Acquis communautaire

See Body of law of the EU.

### Agencies of the EU

In addition to its seven principal institutions, the EU also has various other bodies, including around forty EU agencies that are legally separate and independent of the EU institutions. They perform certain duties under EU law. A number of these agencies are also of importance for Switzerland:

- The European Aviation Safety Agency (EASA) is responsible for aviation safety throughout Europe, and includes Switzerland among its members.
- Following its signature of the Schengen Agreement, Switzerland is also a member of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union (FRONTEX).
- The European Defence Agency (EDA) is a platform for armament cooperation between interested EU member states and provides information about planned projects, which is also of interest to the Swiss armaments industry. In 2012, Switzerland and the EDA concluded a non-legally binding framework agreement for cooperation.
- The two research executive agencies (ERCEA and REA) coordinate the EU research financing programme in which Switzerland participates via a bilateral agreement.

- » Bilateral agreements
- » Governing institution
- » Schengen area

## Agreement

In international relations, an agreement or treaty is an undertaking between states or between states and international organisations to define international rules in a particular area. An agreement may not be amended by one party alone or automatically but requires the mutual consent of both parties.

Several steps are required before an agreement enters into effect:

### **Exploratory talks**

The parties may hold non-binding exploratory talks in advance in order to determine whether both parties are in fact interested in entering into such an agreement, and if so, what exactly it should concern and how it should be structured.

### **Negotiation mandate**

In order for negotiations to be initiated, the negotiators on both sides need to have a mandate. In Switzerland it is the Federal Council which is responsible for approving such negotiation mandates and for this purpose it consults the cantons and the Parliamentary Foreign Affairs Committees. In the EU, the Council of the European Union approves negotiation mandates for the European Commission.

### **Initialling**

Once the negotiators are satisfied with the wording, they initial the agreement, thus concluding the negotiation stage. The agreement is thereby set out in written form, but it is still confidential and not yet binding.

### **Signature**

After the text has been initialled, the agreement then has to be signed. In signing the agreement, both parties are bound to act in good faith within the meaning of the agreement. In accordance with the Federal Constitution, the Federal Council usually signs on behalf of Switzerland, while as a rule it is the Presidency of the Council of the European Union which signs along with the European Commission on behalf of the EU, following approval by the Council.



## Approval

In accordance with the Federal Constitution, after an agreement has been signed it has to be accepted by Parliament and, if a referendum is held, it has to be accepted by the Swiss electorate. This does not include agreements that the Federal Council can conclude independently on the basis of an existing law or agreement.

In the EU, the Council has to already approve the signature of the agreement. As a rule, it then has to be adopted by the European Parliament. Mixed agreements have to be additionally approved by each individual EU member state.

## Ratification

Once an agreement has been adopted internally, it has to be formally ratified, after which it then becomes binding. The Federal Council is responsible for ratifying agreements for Switzerland; the Council of Ministers (Council of the European Union) is responsible for ratifying agreements for the EU.

## Entry into force

Once the agreement has been ratified by the contracting parties, it is then ready to enter into force. It is often the case that a period is specified between ratification and entry into force. The contracting parties may, however, agree to implement it in advance, i.e. before the ratification process has been completed by all of the contracting parties.

- » Cantons
- » Consultation
- » Council of the European Union
- » European Commission
- » European Parliament
- » Mixed agreements

## Approval

See Agreement.

## Association agreement

An association agreement regulates the participation of a non-member state (third country) in part of an international organisation's area of activity. The third country does not become a member state of the international organisation concerned.

From Switzerland's perspective, the bilateral agreements relating to Schengen and Dublin are association agreements. With respect to the further development of the corresponding body of law of the EU, Switzerland has a right to participate in decision-shaping, but has no decision-making power. Switzerland does, however, decide whether it wants to adopt a new legislative act.

The EU also concludes stabilisation and association agreements with candidate countries to prepare them for accession to the EU. In addition, the EU has concluded association agreements with other third countries, mainly for the purpose of facilitating trade.

- » Agreement
- » Bilateral agreements
- » Body of law of the EU
- » Decision-making right
- » Dublin
- » Free trade zone
- » Schengen
- » Third country



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## Founding of the European Free Trade Association EFTA

In 1960, the European Free Trade Association (EFTA) was established, with Switzerland as a founding member. In 2015, along with Switzerland, EFTA Member States comprise Iceland, Liechtenstein and Norway. Manufactured goods in particular can be traded free of customs duties within EFTA.

In 2014, the Swiss Rhine ports handled some 6 million tonnes of goods.

## Autonomous adoption

Switzerland has substantial interest in access to the EU internal market, opened up by the bilateral agreements in certain areas. In other sectors not covered by agreements, Switzerland can choose whether or not to autonomously adopt EU regulations. Subsequently, unnecessary derogations (and resulting technical trade barriers) are avoided. This is crucial for the competitiveness of Switzerland's export-dependent national economy. If an adoption potentially has considerable consequences, the decision is made by Parliament, but if the consequences are only minor and of a technical nature, the decision is usually taken by the Federal Council.

- » Bilateral agreements
- » Internal market
- » Trade barriers

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# B

## Bilateral agreements

Agreements are classified as bilateral if they are between two parties, and as multilateral if they are concluded between more than two parties. Switzerland has concluded a variety of bilateral agreements with the European Community or its legal successor, the EU, as the EU is a contracting partner as a union of states. In principle, the member states of the EU are not regarded as contracting parties. Mixed agreements are a special case, and have to be ratified not only by the EU, but also by each individual EU member state.

Since the individual bilateral agreements concern a specific economic sector or other clearly defined area, they are also referred to as "sectoral" agreements. In addition to individual agreements, two packages containing several bilateral agreements have been negotiated. These are referred to as Bilateral Agreements I and Bilateral Agreements II.

## **Bilateral Agreements I**

The Bilateral Agreements I package was signed in 1999 and accepted by the electorate in a referendum held in 2000. It includes the following agreements:

- Free movement of persons: Reciprocal opening of the labour markets of Switzerland and the EU.
- Technical trade barriers: Mutual recognition of conformity assessments of industrial products, thereby removing trade barriers.
- Public procurement: Extension of the international call for tender requirement to municipalities, districts and certain companies of public interest.
- Agriculture: Elimination of trade barriers for certain agricultural products.
- Research: Involvement of Switzerland in the EU financing programme for research projects.
- Air transport: Airlines enjoy reciprocal access rights to the respective markets.
- Land transport: Opening of the road and rail markets, and acceptance by the EU of Switzerland's heavy goods vehicle charge (HGVC).

## **Bilateral Agreements II**

The Bilateral Agreements II package was signed in 2004 and encompasses the following agreements:

- Schengen and Dublin: Cross-border travel made easier, strengthening of cooperation between police forces and defining of clear rules on competence for asylum procedures.
- Taxation of savings: Switzerland anonymously collects a withholding tax on interest income earned by natural persons whose residency for tax purposes is in the EU.
- Processed agricultural products: Customs duty on numerous products from the food industry reduced or eliminated.
- MEDIA: Switzerland participates in the EU film promotion programme. Fixed-term participation was extended from 2007 to 2013.
- Environment: Switzerland is involved in the European Environment Agency, which collects and analyses environmental data.

- Statistics: Switzerland coordinates the development, production and dissemination of certain European statistics with the EU to ensure comparability.
- Combating fraud: Improved cooperation in combating smuggling and other offences concerning indirect taxes (e.g. customs duty, value added tax), subsidies and public procurement. This agreement has not yet been ratified by all EU member states, but it has been provisionally applied by Switzerland, the EU and most EU states.
- Pensions: The agreement prevents the double taxation of former EU officials who live in Switzerland.
- Education, vocational training and youth: Switzerland participates in EU education and youth programmes that in particular facilitate mobility. The Bilateral Agreements II included a corresponding memorandum of understanding. The agreement was signed in 2010 and entered into force in 2011.

- » Agencies of the EU
- » Agreement
- » Dublin
- » Free movement of persons
- » Mixed agreements
- » Schengen
- » Trade barriers

## Body of law of the EU

The legal acts of the EU in their entirety are referred to as the body of law of the EU (or “acquis communautaire” or “acquis of the EU”). Here, a distinction has to be made between primary law – i.e. treaties that were amended by the Treaty of Lisbon (Treaty on European Union TEU, Treaty on Functioning of the European Union TFEU, Euratom Treaty) – and secondary law, which encompasses the following legal acts:

- Regulations that are binding and have to be directly applied without member states having to take implementation measures.
- Directives, which have to be implemented internally by member states.
- Decisions which might be directed at particular addressees (a person or member state). For these addressees, the decisions are binding and have to be directly applied.
- Recommendations and statements are not binding.

The TFEU also recognises non-legislative acts. These include implementing and delegated acts adopted by the European Commission.

"Acquis communautaire" is a synonym for "body of law of the EU".

### Legal development

The body of law of the EU is undergoing constant development: ordinances are issued for new products, new directives apply to additional areas and foreign policy decisions have to be adapted to current events.

- » Comitology
- » European Commission
- » Institutional issues
- » Treaty of Lisbon

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# C

## Cantons

In accordance with the Federal Constitution, the cantons participate in the preparation of foreign policy decisions that touch on their competencies or major interests. The federal government's duty to inform the cantons has a key role in this involvement. The federal government consults the cantons in connection with the preparation of foreign policy decisions. For negotiations, the federal government consults the cantons regarding the preparation of mandates and includes them in negotiations if these concern their sphere of competency.

- » Consultation

## Cassis de Dijon principle

The "Cassis de Dijon" principle is based on a ruling by the European Court of Justice dating from 1979. In the case in question, the German Federal Republic wanted to ban the import of the French liqueur Cassis de Dijon because its alcohol content was 15 to 20 percent, which was not provided for under German law at that time. The Court declared the intended ban to be an inadmissible trade barrier.

According to the European Court of Justice, admissible trade restrictions are only those in the general interest of the importing state, including public health, public order and consumer protection. But if a restriction merely protects the business interests of domestic producers, who are thus protected against international competition, the restriction is inadmissible. The Cassis de Dijon principle therefore means that every product

that is lawfully marketed in an EU member state may also be sold in all other member states. Exceptions are only permitted if the importing state is able to demonstrate a general interest.

Switzerland autonomously introduced the Cassis de Dijon principle in 2010. This means that products that are lawfully in circulation in the European Economic Area (EEA), i.e. in the EU, Iceland, Liechtenstein and Norway, may also be imported and sold in Switzerland without being subject to prior inspection in principle. However, for foodstuffs that do not fully comply with Swiss directives, prior approval must be obtained from the Federal Food Safety and Veterinary Office (FSVO). Furthermore, there are exceptions for certain product groups, e.g. those subject to registration requirements or a general import ban.

- » Court of Justice of the European Union
- » Trade barriers



### Opening of the Swiss Mission in Brussels

In 1960, Switzerland opened a Swiss diplomatic representation to the EU in Brussels. The Mission represents the interests of Switzerland, follows and analyses developments in European policy, and establishes contacts between representatives of Switzerland and of the EU.

The Mission is located at the Place du Luxembourg.

## Citizenship of the Union

The status of EU citizenship was created in 1992 and was further developed in the Treaty of Lisbon. It is based on the respective jurisprudence of the ECJ and codifies it. Every citizen of an EU member state is also an EU citizen and enjoys the following rights:

- Freedom of movement and residence in the EU
- Right to sign a citizen's initiative
- Non-discrimination on the basis of nationality
- Right to vote at the municipal level and for the European Parliament at the place of residence in the corresponding member state

» Prohibition of discrimination

» Treaty of Lisbon

## Co-decision procedure

See Treaty of Lisbon.

## Cohesion

The term "cohesion" refers to internal solidarity and, in the context of the EU, solidarity between individual member states and regions. The EU has established a cohesion fund that supports projects aimed at reducing economic and social inequality within the EU.

Switzerland's enlargement contribution pursues similar goals to those of the EU cohesion fund, but Switzerland monitors, specifies and pays out its contributions autonomously.

» Enlargement contribution



## Comitology

As a rule, the EU adopts legal acts via a co-decision procedure. If they have to be substantiated in more detail for their implementation, these legal acts can confer implementing powers to the European Commission. In such a case, the Commission is tasked to adopt implementing acts, whereby it is supported by committees comprising representatives of member states. This system is referred to as comitology.

With respect to Schengen, Switzerland is also represented in these committees, where it has a right to participate in decision-shaping, but not a right to participate in decision-making.

- » Co-decision procedure
- » Decision-making right
- » Decision-shaping right
- » European Commission
- » Schengen

## Commitment duration

See Enlargement contribution.



## Signature of the Free Trade Agreement FTA

In 1972 Switzerland and the European Union signed the Free Trade Agreement (FTA), creating a free-trade zone for industrial goods between Switzerland and the EU. The FTA has remained a central pillar of economic relations between Switzerland and the EU to this day.

Machines manufactured in Switzerland, for example by ABB, can be exported into the EU duty-free thanks to the FTA.

## Common policies

Common policies are areas of policy within the EU in which member states take certain decisions jointly. These include Common Commercial Policy (CCP), Common Transport Policy, Common Security and Defence Policy (CSDP) and Common Foreign and Security Policy (CFSP).

In other areas the EU bodies have themselves the ultimate decision-making powers. These include for example customs tariffs, rules on competition, monetary policy, preservation of biological marine resources and trade policy. The EU bodies have ultimate decision-making powers in these areas. The European Commission has the sole right of initiative and individual states can be overruled through a qualified majority of other states. Decisions by the European Central Bank or rulings by the Court of Justice of the European Union are binding for all members.

- » Court of Justice of the European Union
- » European Central Bank
- » European Commission
- » Qualified majority

## Consultation

In its preparation of foreign policy decisions, as a rule the Federal Council consults the cantons and the parliamentary Foreign Affairs Committees. In the case of negotiations with other countries or international organisations, consultation normally takes place before negotiations are initiated.

In the EU, the consultation procedure refers to a system in which the Council of the European Union holds the decision-making authority. The latter obtains the opinion of the European Parliament, although this is not binding. This was originally the most frequently utilised procedure, however, since the signing of the Treaty of Lisbon it has been replaced in most areas by the co-decision procedure.

- » Cantons
- » Co-decision procedure
- » Council of the European Union
- » European Parliament
- » Treaty of Lisbon

## Contract

See Agreement.

## Coordination of social security systems

Appendix II to the agreement on the free movement of persons regulates the coordination of national social security systems. These systems are, however, neither standardised nor harmonised – they are merely coordinated. The aim is that no one who works on the territory of the other contracting party should lose his or her entitlement to social insurance.

» Free movement of persons

## Copenhagen criteria

The Copenhagen criteria, which specify the requirements each candidate country has to meet in order to join the EU, were defined in 1993. A candidate must:

- Be democratic and observe human rights
- Possess a functioning market economy
- Adopt the entire *acquis communautaire*

In 1995, the requirement of a functioning public administration was added. The fact that only European countries are eligible to join the EU had already been specified, though no definition was made regarding Europe's borders.

» Body of law of the EU  
» Enlargement

## Coreper

See Council of the European Union.

## Council of Europe

The Council of Europe is not an institution of the European Union and should not be confused with the European Council or the Council of the European Union. The Council of Europe is an international organisation that was established in 1949; its priorities include promoting human rights, the rule of law and democracy. Switzerland became a member in 1963; since 2007 the Council of Europe has comprised 47 members, including all EU member states. They are all also signatories of the European Convention on Human Rights (ECHR). The Treaty of Lisbon allows for the EU's accession to the ECHR. The Council of Europe's headquarters is in Strasbourg.

» Council of the European Union  
» European Council  
» Governing institution  
» Treaty of Lisbon

## Council of the European Union

The Council of the European Union – often referred to as the Council of Ministers or simply the Council – is, together with the European Parliament, jointly responsible for the EU’s legislative and budgetary functions. In principle it coordinates economic and social policy. It is the sole decision-making body in common foreign and security policy as well as in certain areas of trade and social policy.

The Council represents the governments of the EU states in ten different configurations, each covering specific political areas. Every EU member state is entitled to a representative who must have the power to make binding decisions. Since the entry into force of the Treaty of Lisbon, a qualified majority is required for important decisions. Unanimity is required for particularly important cases such as the admission of new members.

### Presidency of the Council

The presidency rotates every six months, except for the Foreign Affairs Council, which is chaired by the High Representative for Foreign Affairs and Security Policy. The presidency organises and chairs meetings and can mediate in the case of conflict.

### Coreper

Each EU member state has a permanent representation to the EU in Brussels, which performs similar functions to those of an embassy. The representatives and their deputies prepare the activities of the Council of the European Union. This “committee of permanent representatives” is often referred to as “Coreper”, an abbreviation taken from the French name “Comité des représentants permanents”.

- » European Parliament
- » High Representative for Foreign Affairs and Security Policy
- » Qualified majority
- » Treaty of Lisbon

## Council of Ministers

See Council of the European Union.

## Court of Justice of the European Union

The European Court of Justice was renamed the Court of Justice of the European Union following the ratification of the Treaty of Lisbon. It is the EU's highest judicial body and its seat is in Luxembourg. It is responsible for ensuring that EU law is interpreted and applied in the same way in all EU member states.

It comprises three courts: the Court of Justice, the General Court (a chamber of first instance) and the Civil Service Tribunal (for disputes between the European Union and its staff). The judges and advocates general are elected by the governments of the member states for a term of office of six years. Their election must be approved by the European Parliament. Every member state is represented by one judge at the Court of Justice.

- » European Parliament
- » Treaty of Lisbon



### Popular vote: No to the EEA

In 1992, Swiss voters rejected Switzerland's accession to the European Economic Area (EEA) by some 50.3% of the voters, along with 16 cantons. Voter participation was registered at 79%. Then Swiss President and Head of the Federal Department of Foreign Affairs René Felber casting his ballot in his community of residence St. Aubin near Neuchâtel.

## Customs union

The forming of a customs union can reduce or eliminate tariff-based trade barriers, customs duty and quantitative restrictions on imports. In contrast to a free trade zone, however, in a customs union the contracting states also agree on a common tariff for imports of products and goods from third countries. A common external tariff permits free trade within the customs union. Non-tariff (technical) trade barriers (product standards such as safety standards or packing regulations) are nonetheless not necessarily eliminated. Examples of customs unions include the EU, the EU and Turkey, and Switzerland and Liechtenstein.

- » Free trade zone
- » Third country
- » Trade barriers

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# D

## Decision-making right

In the EU, decisions are taken by its institutions or other bodies comprising representatives of EU member states. Third countries such as Switzerland are not entitled to a decision-making right.

- » Governing institution
- » Third country

## Decision-shaping right

As a non-member state of the EU, Switzerland is not represented within its institutions and bodies, except in the areas of Schengen and Dublin, in which Switzerland is an associated member. Here, Switzerland is able to participate in meetings at which it is represented by a Federal Councillor or an expert from the federal administration. Switzerland thus enjoys a right of decision-shaping (right of say), which entitles it to state its position on all relevant matters. In the European Economic Area, Iceland, Liechtenstein and Norway, who are not EU member states, have a certain right to participate in decision shaping, but not a right to participate in decision-making.

- » Dublin
- » European Economic Area
- » Schengen

## Delegation of the EU to Switzerland and Liechtenstein

The EU Delegation to Switzerland and Liechtenstein in Bern performs the function of an EU embassy. As a unit of the European External Action Service (EEAS), it represents the EU in Switzerland, reports to the EU on current developments in Switzerland and helps secure relations between Switzerland and the EU.

» European External Action Service

## Directorate for European Affairs DEA

The Directorate for European Affairs (DEA) was established in 1961 under the name Integration Office as a competence centre of the Federal Administration for dealing with European policy issues. The Integration Office was originally subordinated to both the Federal Department of Foreign Affairs (FDFA) and the Federal Department of Economic Affairs (FDEA). Following a decision of the Federal Council in 2011, it has been a separate directorate of the FDFA since 2013.

The DEA analyses European integration policy and its consequences for Switzerland. It plays an essential role in coordinating all matters concerning relations between Switzerland and the European Union. It is also mandated to provide information about Switzerland's policy on Europe and European integration in general.

» Integration

## Double majority

See Treaty of Lisbon.

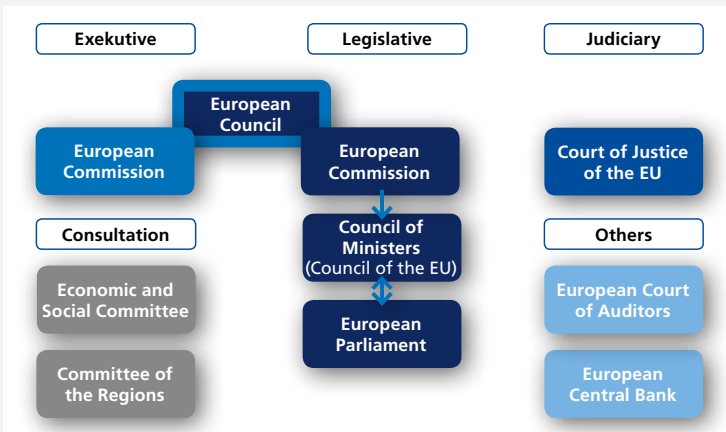
## Dublin

The Dublin Convention is based on the principle that every asylum application made in the Dublin area is also effectively examined (right to procedure) and that only one state is responsible for handling an asylum request. The Dublin criteria establish which state is responsible for this. The Dublin Convention therefore regulates responsibility but does not standardise the national asylum process. If a responsible state has been established, further applications from the same person cannot be processed by other states. Thanks to the Eurodac electronic fingerprint database, people who make more than one application for asylum can be readily identified and referred to the relevant state.

The Schengen and Dublin association agreements enable Switzerland to take part in European security and asylum cooperation. Switzerland has a right to participate in decision-shaping but not a formal right to participate in decision-making in the further development of Schengen/Dublin law. In each instance, Switzerland decides autonomously whether or not to adopt a new legal provision. In the event of non-adoption, the EU and Switzerland are required to seek pragmatic solutions. Ultimately, however, non-adoption of a development could lead to the automatic termination of the agreement.

- » Association agreement
- » Decision-making right
- » Decision-shaping right
- » Schengen

## EU institutions and bodies at a glance





# E

## Enlargement

Belgium, France, Germany, Italy, Luxembourg and the Netherlands initially formed the European Economic Community (EEC) in 1957. It has expanded several times since then with a further 22 countries joining the EEC (after 1992, the EU) to this day:

- 1973: Denmark, United Kingdom, Ireland
- 1981: Greece
- 1986: Portugal, Spain
- 1995: Austria, Sweden, Finland
- 2004: Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, Slovenia
- 2007: Bulgaria, Romania
- 2013: Croatia

Since 1993, a candidate country has had to meet certain criteria in order to join the EU.

» Copenhagen criteria

## Enlargement contribution

Within the framework of enlargement contribution, Switzerland is contributing towards the reduction of economic and social inequalities in the enlarged EU. Switzerland provides support of approx. CHF 1.3 billion for concrete projects in the 13 member states that joined the EU in 2004 (EU-10 states), 2007 (Romania and Bulgaria) and 2013 (Croatia). Switzerland's commitment is an expression of solidarity, acknowledging the enlargement of the EU and the integration of new member states in the union as a step towards greater solidarity, stability and prosperity in Europe. At the same time, Switzerland is laying the foundation for strong political and economic relations with the new EU member states.

The objectives of Switzerland's enlargement contribution are similar to those of the EU cohesion fund, though Switzerland specifies, disburses and controls its own contributions.

» Cohesion

## Entry into force

See Agreement.

## Euratom

The general objective of the Euratom Treaty is to promote the civilian use of nuclear energy. The aim is for all member states to benefit from the development of nuclear energy, and for supply security to be assured. At the same time, the treaty also guarantees the population a high degree of technical safety and prevents the diversion for military purposes of nuclear matter that is intended for civilian use.

Euratom was founded in 1957 and formed one of the three European Communities together with the European Coal and Steel Community and the European Economic Community. Today, Euratom is an autonomous international organisation alongside the European Union, though it shares its governing institutions with the EU.

- » European Union
- » Governing institution

## Euro

See Monetary union.

## European Central Bank

The European Central Bank (ECB) is responsible for the monetary union policy. The ECB's policy aims to keep price levels stable in the Eurozone, support economic growth and thereby secure jobs. The ECB is managed by an Executive Board with six members and is supported by the Governing Council which comprises the governors of the national banks of the 19 euro area countries, and the General Council which includes the governors of the national banks of 28 EU states. It has its headquarters in Frankfurt. Since the Treaty of Lisbon, it has been formally an EU institution.

- » Governing institution
- » Monetary union
- » Treaty of Lisbon

## European Commission

The European Commission is the executive body of the EU with extended legislative powers. It has the sole right to propose to the European Parliament and the Council of the European Union guidelines, provisions and resolutions. It administers common policies, e.g. agriculture and regional policy, and supervises compliance by member states with EU law. The Commission is made up of one commissioner per EU member state.

The European Parliament elects the President of the Commission upon a proposal by the European Council, which takes into account the result of the parliament elections. The other Commissioners are chosen by their national government and upon consultation with the President of the Commission. The European Parliament approves the election of the commissioners and their President as a single body ("college" of Commissioners). Around 23,000 people are employed in the Directorate-Generals and services of the Commission.

- » Common policies
- » Council of the European Union
- » European Council
- » European Parliament

## European Council

The European Council is the highest body responsible for defining the political direction of the EU. It provides impetus for the development of the EU, specifies general political objectives and decides on foreign policy stances of the EU. It comprises heads of state and government, and the respective presidents of the European Council and the European Commission. It convenes at least four times a year. Since the Treaty of Lisbon entered into force, the European Council has been chaired by a permanent president.

### **President of the European Council**

The European Council's permanent president does not hold any national political office; his or her task is to ensure the continuity of the work of the European Council. He or she is elected for a term of office of two and a half years, and may be re-elected once.

## European Economic Area

The EFTA member states Iceland, Liechtenstein and Norway, together with the EU, constitute the European Economic Area (EEA). With certain exceptions (e.g. agriculture), this involves extending the EU internal market to the three EFTA states. In the EEA, the four fundamental freedoms of the internal market are realised. Within the EU, the European Commission and the Court of Justice of the European Union are responsible for the implementation and the surveillance of the EEA obligations; within the three EEA/EFTA states, it is the responsibility of the EFTA Surveillance Authority and the EFTA Court. The EEA grants these EFTA member states a certain decision-shaping right in the EU in the relevant dossiers. On 6 December 1992 the Swiss electorate rejected Switzerland's accession to the EEA.

- » Court of Justice of the European Union
- » Decision-shaping right
- » EFTA
- » European Commission
- » Four fundamental freedoms
- » Internal market

## European External Action Service

The European External Action Service (EEAS) is responsible for the diplomatic relations of the EU. It was introduced in 2010 and comprises approximately 3,700 employees of the European Commission, the Council of the European Union and national diplomatic services. It is based in Brussels, and has 140 delegations throughout the world, including the Delegation of the EU to Switzerland and Liechtenstein in Bern. The EEAS is headed by the High Representative of the EU for Foreign and Security Policy.

- » Council of the European Union
- » Delegation of the EU to Switzerland and Liechtenstein
- » European Commission
- » High Representative of the EU for Foreign and Security Policy

## European Free Trade Association EFTA

Switzerland is a founding member of the European Free Trade Association (EFTA). It was established in 1960 following the signature of the Stockholm Convention as a counterbalance to the European Economic Community (EEC). Apart from Switzerland, EFTA's members include Iceland, Liechtenstein and Norway.

EFTA is a free trade zone, but unlike the EU it is not a customs union. The intergovernmental organisation's original aim was to remove customs duties on industrial

products in trade among its members. Since the 1990s, however, its member states have predominantly used EFTA as a platform for jointly negotiating free trade agreements with third countries outside the European Economic Area. To date, more than 20 free trade agreements of this kind have been concluded, and others are currently being negotiated.

- » Customs union
- » European Economic Area
- » Free trade zone
- » Inter-governmental organisation
- » Third country

## European Parliament

The European Parliament exercises, jointly with the Council of the European Union, the EU's legislative and budgetary functions. As a rule, these two institutions adopt all essential legislative acts by common agreement in the co-decision procedure.

Since 1979, the citizens of EU member states have been able to directly elect their representatives to the European Parliament. The members of the professional Parliament are elected for a period of five years. The seat of the European Parliament is in Strasbourg, but plenary sessions are also held in Brussels. The seating order is based on party membership, not nationality. Following the ratification of the Treaty of Lisbon, the co-decision procedure was broadened in favour of Parliament.

- » Co-decision procedure
- » Council of the European Union
- » Governing institution
- » Treaty of Lisbon

## Signature of Bilateral Agreements I

In 1999 Switzerland and the EU signed the Bilateral Agreements I. The seven agreements regulate, among other matters, the free movement of persons and cooperation in research. The Agreement on dismantling technical barriers to trade facilitates the access of Swiss products such as penknives (on the left) to the EU internal market.



## European Union

European integration began in the aftermath of the Second World War, and was based on the desire to ensure peace in Europe and to prevent future military conflicts. Targeted economic integration and increased cooperation were to contribute to this. Belgium, the Federal Republic of Germany, France, Italy and Luxembourg signed the Treaty of Paris in 1951 and established the European Coal and Steel Community. They thereby laid the foundations for European integration.

The basis of the EU today is the Maastricht Treaty, which extended the EU's authority to non-economic areas. It was signed in 1992 and entered into force in 1993. Since 2013 the EU has comprised 28 member states. A series of geographic expansions has gone hand in hand with intensified cooperation between the member states. The EU helps maintain peace and stability and was awarded the 2012 Nobel Peace Prize. Thanks to its large internal market, it is the world's biggest economic power ahead of the USA. At the political, economic and cultural levels, the EU is Switzerland's most important partner today.

- » Enlargement
- » Integration
- » Internal market

## European Economic Community (European Community)

The European Economic Community (EEC) was established in 1957 following the signature of the Treaties of Rome by Belgium, France, Germany, Italy, Luxembourg and the Netherlands. It set out to establish the four fundamental freedoms and created a customs union in 1968. Following the conclusion of the Maastricht Treaty, the EEC was renamed the "European Community" (EC) in 1993, a move which reflected its broader sphere of activity, which had meanwhile extended beyond economic policy. The EC was dissolved when the Lisbon Treaty entered into force on 1 December 2009, and its legal successor is the EU. Euratom, which had formed the European Communities together with the EEC and the European Coal and Steel Community, continues to exist as a separate organisation alongside the EU.

- » Customs union
- » Euratom
- » Four fundamental freedoms
- » Treaty of Lisbon

## European Communities

The European Economic Community (EEC), Euratom and the European Coal and Steel Community, which existed from 1951 until 2002, were the three components of the European Communities. Their institutions were merged in 1965, resulting in the Council of the European Union and the European Commission.

- » Council of the European Union
- » Euratom
- » European Commission
- » Governing institution

## Exploratory talks

See Agreement.



## Flag of the EU

Since 1986, the European Union has used a flag comprising twelve golden stars in a circle against a blue background. The stars stand for unity, solidarity and harmony between the peoples of Europe, and the circle is also intended as an expression of unity. The number of stars has nothing to do with the number of member states, even though the EU numbered exactly 12 member states at the time the flag was introduced. The Council of Europe created the flag in 1955 as a symbol of Europe's common values. It subsequently encouraged the newly established EU to adopt it.

# F

## Four fundamental freedoms

The term “four fundamental freedoms” refers to the free movement of goods, persons, services and capital within the EU internal market.

- Free movement of goods: uniform product standards and the basic principle that products that are lawfully manufactured in a member state may be marketed in all other member states.
- Free movement of persons: EU citizens may move to and seek work in any member state.
- Free movement of services: cross-border services may be provided and companies may establish subsidiaries in other member states.
- Free movement of capital: member states may not restrict the movement of capital between themselves or with third countries.

- » Internal market
- » Third country

## Free movement of persons

Free movement of persons regulates the freedom of EU and EFTA citizens to move to and work in other member states, and thus facilitates mobility. With the agreement between Switzerland and the EU on the free movement of persons, the basic rules of free movement as they apply within the EU are being introduced on a step-by-step basis in Switzerland. Citizens of Switzerland and the EU are entitled to freely choose their place of work and/or residence within the respective sovereign territories and a discrimination ban applies. They must possess a valid employment contract, be self-employed or – if they are not gainfully employed – they must provide evidence that they have adequate financial resources and comprehensive health insurance cover. The free movement of persons is complemented by the coordination of social security systems (Appendix II to the agreement on the free movement of persons) and by reciprocal diploma recognition (Appendix III to the same agreement). For citizens of EFTA member states, the same provisions generally apply as those in the agreement on the free movement of persons.

- » Coordination of social security systems
- » EFTA
- » Prohibition of discrimination
- » Recognition of professional and academic qualifications
- » Safeguard clause



On 9 February 2014, the Swiss electorate accepted the popular initiative “against mass immigration”. The new constitutional provisions will restrict immigration by means of quotas. The Federal Council and parliament have three years to implement the new system.

## Free trade zone

A free trade zone (FTZ) comprises at least two countries that have concluded a free trade agreement (FTA). Trade barriers such as customs duties and quotas are eliminated. Unlike a customs union where the members agree on a common tariff to be applied to all third countries, in a free trade zone members specify their own customs tariffs for imports from third countries.

To prevent goods from third countries entering the free trade zone via the member country with the lowest customs tariffs, duties are also levied for these goods within the free trade zone.

In addition to tariff barriers to trade, a free trade zone agreement may also reduce non-tariff (or technical) barriers to trade and harmonise production standards, e.g. safety requirements. Switzerland is one of the founding members of ETFA, the European Free Trade Association.

- » Customs union
- » EFTA
- » Third country
- » Trade barriers

# G

## Governing institution

A governing institution is a body that fulfils a specific function within an organisation. The Treaty of Lisbon cites seven EU institutions:

- The European Council specifies the strategic direction
- The European Commission prepares decisions and implements them
- The European Parliament and Council of the European Union jointly exercise legislative and budgetary functions
- The Court of Justice of the European Union interprets EU law
- The European Central Bank determines EU monetary policy
- The Court of Auditors supervises EU accounting

- » Council of the European Union
- » Court of Justice of the European Union
- » European Central Bank
- » European Commission
- » European Council
- » European Parliament
- » Treaty of Lisbon

## Guillotine clause

The seven Bilateral Agreements I were negotiated as a complete package. The texts of the agreements were legally bound by a provision that is referred to in layman's terms as the "guillotine clause". This stipulates that, if one party terminates one of the seven agreements in the package, the other six agreements will automatically be repealed after six months. Switzerland and the EU only consented to the Bilateral Agreements I because the package was able to balance the interests of the parties in individual agreements.

- » Agreement
- » Bilateral agreements

# H

## High Representative of the EU for Foreign and Security Policy

The High Representative of the EU for Foreign Affairs and Security Policy represents the European Union internationally together with the President of the European Council. With the Treaty of Lisbon in 2009, the role was newly created, combining the previous functions of Commissioner for External Relations and High Representative for Common Foreign and Security Policy (CFSP). The High Representative presides over the Council of the European Union in its Foreign Affairs configuration, and is also Vice President of the European Commission. Since 2010 the High Representative has been assisted in the performance of her duties by the European External Action Service.

- » Common policies
- » Council of the European Union
- » European Commission
- » European Council
- » European External Action Service
- » Treaty of Lisbon

# I

## Incorporation of EU law

See Institutional Issues.

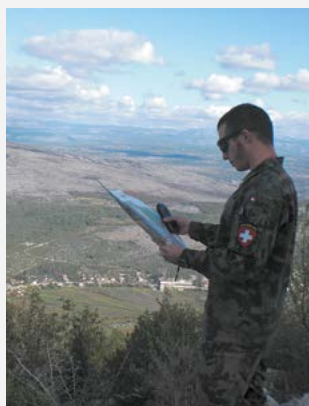
## Initialling

See Agreement.

## Common Security and Defence Policy CSDP

As part of its Common Security and Defence Policy (CSDP), since 2003 the EU has launched over 30 missions and completed about half of them. Switzerland has taken part, with civilian experts and military personnel, in several CSDP missions in the Balkans and in Africa, as well as in EU peacekeeping operations in Bosnia and Herzegovina (EUFOR Althea).

An armed contingent and several unarmed experts from Switzerland have been deployed in Bosnia and Herzegovina since November 2004. Since 2008, Switzerland has also seconded a number of experts to the EU Rule of Law Mission in Kosovo (EULEX).



## Institutional issues

In the context of Swiss-EU relations, the term “institutional issues” refers to the consistent application of market access agreements between Switzerland and the EU. Institutional processes should define how this is ensured by the contracting parties, especially with provisions concerning legal development, monitoring, interpretation of the agreements and uniform procedure in dispute settlement.

## Legislative amendment

As the EU’s body of law is undergoing constant development, it should also be determined how the bilateral agreements will be amended and what procedures should be used. Regular adjustment in line with the EU’s *acquis* should prevent new barriers impeding market access to the EU domestic market for Swiss economic actors.

## Interpretation

This concerns the uniform interpretation of bilateral agreements. In the same way as national legislation, international agreements (e.g. bilateral agreements) set out to regulate a complex relationship using general rules. This means that certain compromises have to be



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## Signature of Bilateral Agreements II

In 2004 Switzerland and the EU signed the Bilateral Agreements II. The package comprises one political declaration of intent and nine agreements, including the Schengen Agreement which facilitates cross-border travel by abolishing identity checks at the internal borders and more effective action against international crime.

Switzerland has been part of the Schengen area since 2008. However, because Switzerland is not a member of the Customs Union, customs controls are still carried out.

made in terms of complexity, and in some cases this can give rise to uncertainty regarding the way in which the agreement is to be interpreted. In Switzerland it is the Federal Supreme Court which has the final say, and in the EU this is the responsibility of the Court of Justice of the European Union.

### Monitoring

Suitable monitoring measures should ensure that Switzerland and the EU correctly apply the bilateral agreements. This task is assumed by the European Commission within the EU.

- » Agreement
- » Bilateral agreements
- » Body of law of the EU
- » Court of Justice of the European Union
- » European Commission
- » Mixed committees

### Settlement of disputes

This regulates which procedures are used to settle disputes between the EU and Switzerland and which body or authority should have binding decision-making powers in the event of such a dispute. For the existing bilateral agreements, mixed committees can usually settle disputes by mutual agreement, i.e. with the consent of both parties.

### Integration

The term “European integration” refers to a unification process within Europe. In the EU, this concerns widespread economic integration with an internal market and a monetary union. In addition, EU member states have taken steps towards unification in some areas of foreign, security and domestic policy.

- » Internal market
- » Monetary union

### Intergovernmental organisation

Most international organisations are intergovernmental organisations (the UN, OSCE, EFTA) because they act by cooperation between (Latin: inter) governments and states. Decision-making authority remains with the individual states. They make joint decisions but remain sovereign. Because the activities of the EU extend beyond strict intergovernmental cooperation, it is a supranational rather than an intergovernmental organisation.

- » EFTA
- » OSCE
- » Supranational organisation

## Internal borders

Usually the boundaries within a given country, e.g. between Swiss cantons, are referred to as internal borders. As systematic identity checks are no longer carried out at border crossings within the Schengen area, borders between Schengen states are also referred to as internal borders.

National borders between a Schengen state and a third country are considered Schengen external borders. Swiss airports are also considered Schengen external borders for flights taking off from or landing in airports outside the Schengen area. Strict controls are carried out at these external borders.

» Schengen

## Internal market

An internal (or domestic) market usually refers to the national economy of a given country. One of the main objectives of the EU is to create a European single market based on the principle of the four fundamental freedoms: free movement of goods, people, services and capital. Thanks to the elimination of many trade barriers, the national economies of the EU member states are now largely integrated.

As an export-oriented and internationally competitive economy, Switzerland has a strong interest in gaining access to this market. In view of this, the aim of many of the bilateral agreements is to open up access for Switzerland to the European internal market in the respective sectors.

» Bilateral agreements  
» Four fundamental freedoms  
» Integration  
» Trade barriers

## Interpretation of agreements

See Institutional issues.

# M

## Mission of Switzerland to the EU

Switzerland's Mission to the EU is its official diplomatic representation in Brussels. It represents Switzerland's interests in the EU, monitors and analyses European policy developments and facilitates contact between representatives of Switzerland and the EU.

## Mixed agreements

Most of the bilateral agreements were concluded between Switzerland and the European Community (EC) or its successor, the European Union. In areas in which the European Union shares its authority with the member states, agreements also need to be concluded with the individual member states. These are called mixed agreements. Examples include the agreement on the free movement of persons and the agreement to combat fraud. Mixed agreements also have to be ratified by all EU member states.

- » Agreement
- » Bilateral agreements
- » European Union
- » Free movement of persons

## Mixed committees

For managing the majority of bilateral agreements, mixed committees have been set up (the term "mixed" is used because Switzerland and the EU are equally represented). They oversee and provide impetus for further development of the respective agreement, serving as a platform for the exchange of information, for advice and for consultation. They also play a key role should differences of opinion arise in the interpretation or application of an agreement.

Decisions are made unanimously within the scope of the powers afforded by the respective agreement. The mixed committees can, for example, decide on amendments of a technical nature such as legislative procedures, lists of authorities or products in the annex to an agreement. However, this does not include changes to the agreement. Mixed committees normally convene once a year.

- » Agreement
- » Bilateral agreements

## Monetary union

An economic and monetary union was established following the ratification of the Maastricht Treaty in 1992. The euro was introduced as accounting currency in 1999 and the European Central Bank began to pursue a uniform monetary policy for the entire euro zone. In 2002 the euro was introduced as legal tender. It is intended to be the currency for all EU member states (with the exception of to opt outs) which meet the corresponding criteria. One of the aims behind the creation of the economic and monetary union was to further strengthen the internal market by abolishing national currencies.

- » European Central Bank
- » Internal market
- » Opting out clause

## Monitoring of implementation of agreements

See Institutional issues.

# N

## National treatment

See Prohibition of discrimination.

## Negotiation mandate

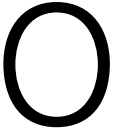
See Agreement.

## Vote: yes to the enlargement contribution

In the Polish town of Szczucin and its surrounding area the air is polluted with a high level of asbestos dust and fibres and other emission fibres. With its enlargement contribution, Switzerland is taking part in a project to remove more than 20,000 tonnes of waste products containing asbestos from the roofs and land of public and private buildings in Szczucin and about 40 other municipalities in the Lesser Poland Voivodeship, and to dispose of this waste properly in adequately equipped disposal sites that are already available.







## Opting in clause

The UK and Ireland, which form a common travel area, do not take part in all of the Schengen cooperation, but they nonetheless have the right to participate in parts of this cooperation, and this is referred to as an “opting in” right. The UK has made use of this right since March 2015, participating in the second generation Schengen Information System (SIS II).

» Schengen

## Opting out clause

An “opting out” clause is a provision that allows an EU member state to exclude itself from participation in a given area. The aim here is to avoid a general blockage. For example, the UK made use of this clause to opt out of introducing the euro, and similar clauses were granted to Denmark regarding the economic and currency union, defence and citizenship of the Union. Denmark is also able to decide whether to adopt new measures within the body of law of the EU relating to the area of Justice and Home Affairs, which includes Schengen.

- » Body of law of the EU
- » Citizenship of the Union
- » Monetary union

## Organization for Security and Co-operation in Europe OSCE

The Organization for Security and Co-operation in Europe (OSCE), headquartered in Vienna, is the largest regional security organisation worldwide with 57 participating States spanning North America, Europe, and Asia. Its main activities are conflict resolution and confidence building. Switzerland has been a participating State since the Organization’s foundation in 1975 and has held the Chairmanship twice in 1996 and 2014.

Switzerland views the OSCE as a key platform through which to implement its foreign-policy priority commitment to freedom and security in Europe. Switzerland provides active support for OSCE projects and makes experts available for fixed-term missions in civilian projects as, for example, elections observers, police advisors, or specialists for constitutional questions, mediation, the rule of law, and human rights.

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# P

## Peace operations

International peace operations are an instrument of the international community for conflict resolution and crisis management. Their aim is to contribute to the restoration of stability and peace by civilian and/or military means.

Switzerland participates in peacebuilding operations with civil and military personnel but does not participate in peace enforcement missions that allow hostilities. For Switzerland to participate in a Common Security and Defence Policy (CSDP) military mission, a mandate is required from the United Nations or the OSCE. One such example is Switzerland's participation in the EUFOR ALTHEA mission in Bosnia-Herzegovina. This replaces the multinational SFOR stabilisation mission to support and monitor the Dayton Agreement.

The EU has carried out some 30 missions in the Balkans, Africa and the Middle East; around half of these have been completed. Two-thirds of these took the form of civilian missions, and one-third took the form of military operations.

» OSCE

## Presidency of the Council of the European Union

See Council of the European Union.

## President of the European Council

See European Council.

## Prohibition of discrimination

The EU's four fundamental freedoms mean that citizens of an EU state have to be treated equally in every other EU state and must not be discriminated against compared to own citizens. The prohibition of discrimination also applies to goods from an EU state. Thus in its rulings, the Court of Justice of the European Union regularly highlights that goods originating from another EU state may not be treated any differently to domestic goods, especially with regard to taxation and tariffs.

With respect to the free movement of persons, the prohibition of discrimination refers to national treatment (of foreigners). This obliges member states to treat persons from another EU country who have legally taken up residence within the framework of the free movement of persons in the same way as they treat their own nationals. Derogations to this rule must be justified by an overriding public interest.

The EU's policy of equal treatment extends beyond the internal market. In accordance with EU legislation and rulings by the Court of Justice of the European Union, all member states are obliged to treat all people equally, regardless of their gender, ethnic origin, religion or ideology, or a disability.

- » Court of Justice of the European Union
- » Four fundamental freedoms
- » Free movement of persons



## Qualified majority

See Treaty of Lisbon.

# R

## Ratification

See Agreement.

## Recognition of professional and academic qualifications

Annex III to the Agreement on the free movement of persons specifies the EU directives adopted by Switzerland in the recognition of professional and academic qualifications. However, the directives are only applied where the profession is state regulated in the host country. This is the case if the profession may only be exercised with a particular qualification based on statutory and administrative regulations. For professions in Switzerland that are not regulated by the state, it is up to the employer to decide whether the qualifications of a candidate from the EU are sufficient.

Qualifications for a variety of professions in the health-care sector, as well as for architects, are automatically recognised because of harmonised training requirements. For some professions in the craft, commerce and industry sectors, the recognition system is based on professional experience. In all other cases, the general

## Signing PDO/PGI Agreement

In December 2011, the Agreement on the mutual recognition of Protected Designations of Origin (PDO) and Protected Geographical Indications (PGI) for agricultural products entered into force.

As a result, Swiss-registered designations of origin and geographical indications enjoy the same legal protection in the EU as do those registered in the EU, and vice versa. Air-dried meat from the canton Grisons (Bündnerfleisch) is one of the products covered by the agreement.



system applies: the host country reserves the right to measure a candidate's training and professional experience against its own requirements, to grant recognition or, in the event of substantial discrepancies, to request compensatory measures such as supplementary courses or examinations.

» Free movement of persons

---

# S

## Safeguard clause

In the agreement on the free movement of persons, the safeguard clause allows Switzerland to reintroduce quotas. This is possible if the influx of EU citizens exceeds the average for the past three years by 10%. In this case, Switzerland is entitled, for a maximum period of two years, to limit the number of residence permits to the average level for the past three years, plus 5%. As of 2014, this safeguard clause still applies for Bulgaria and Romania and will remain in place until 2019.

» Free movement of persons

## Schengen

Schengen cooperation facilitates travel, in that people travelling across internal borders (i.e. borders between Schengen states) no longer have to undergo passport and immigration controls. At the same time, a variety of measures have been introduced to improve international cooperation in the areas of justice and police in the combat against crime and illegal migration. These include:

- More stringent controls at Schengen external borders
- Intensified cross-border police cooperation, e.g. through the pan-European Schengen Information System (SIS)
- More efficient cooperation between judicial authorities

The Schengen/Dublin association agreement enables Switzerland to take part in European security and asylum cooperation. Switzerland has a right to participate in decision-shaping but not a formal right to participate in decision-making in the further development

of Schengen/Dublin law. Switzerland decides autonomously whether or not to adopt a new legal provision. In the event of non-adoption, the EU and Switzerland are required to seek pragmatic solutions. Ultimately, non-adoption of a development could lead to the termination of the agreement.

- » Association agreement
- » Decision-making right
- » Decision-shaping right
- » Dublin
- » Internal borders

### Schengen Information System SIS

The Schengen Information System (SIS) is an electronic database in which searches for stolen goods, wanted persons, etc. can be published throughout Europe in the following categories:

- Stolen goods (e.g. cars, weapons, passports)
- Persons who have been banned from entry
- Persons wanted by the police or judiciary
- Missing persons
- Persons being investigated under cover
- Persons for whom an arrest warrant or deportation order has been issued

The SIS is an important instrument in the combat against cross-border crime, e.g. organised robbery, immigrant smuggling, trafficking in human beings, drugs and weapons. In 2013 the SIS was replaced by a second-generation system (SIS II).

### Settlement of disputes

See Institutional issues.

### Signature

See Agreement.

### Single market

See Internal Market.

## Supranational organisation

An international organisation is referred to as a supranational organisation if its member states cede part of their decision-making authority to collective bodies of the international organisation. This means that a part of the decision-making authority is at a level above (Latin: supra) that of the (national) states. Broadly speaking, the EU is the only example of such a structure. A supranational organisation therefore extends beyond inter-governmental cooperation, which is limited to cooperation between sovereign states.

» Inter-governmental organisation

## T

### Third country

In an agreement, a state that is not a contracting party is referred to as a third country. Since Switzerland is not a member of the EU, the EU regards it as a third country. In the Schengen area, however, Switzerland is considered an associated state, and not a third country.

» Agreement  
» Schengen

### Trade barriers

Trade barriers refer to all rules and regulations that impede the free exchange of goods and merchandise between different markets. States levy customs duties on imported goods and/or limit the import quantities through tariff quotas in order to protect domestic production. Until the tariff quota is exhausted, a lower customs tariff applies. These barriers are reduced in a free trade zone, a customs union or on the basis of World Trade Organisation (WTO) rules.

In addition to tariff barriers to trade (customs duties and tariff quotas), there are also non-tariff or technical barriers to trade. These include product regulations such as:

- Safety regulations
- Definition of ingredients so that a given product may be designated as such
- Criteria relating to form and packaging
- Customs formalities

Non-tariff barriers to trade can represent even greater obstacles to trade than customs duties and tariff quotas, since in some cases it is not worthwhile for the exporter to make the necessary adaptation to the technical requirements, and thus the product is not exported at all.

- » Customs union
- » Free trade zone

## Treaty

See Agreement.

## Treaty of Lisbon

The Treaty of Lisbon has improved the EU's decision-making processes, rendering it more transparent and more democratic, and bringing it closer to the people. It has extended the co-decision procedure to almost all areas and thus enhanced the role of the European Parliament. Since the treaty entered into force, one million citizens from at least a quarter of the member states have been able to launch a citizen's initiative, which invites the European Commission to submit a proposal for a new legislative act.

The Lisbon Treaty brought further amendments to existing agreements, specifically the Treaty on European Union (the Maastricht Treaty which was signed in 1992), the agreement on the establishment of the European Community and the Euratom Treaty. The original agreements had previously been amended by the Amsterdam Treaty (1997) and the Treaty of Nice (2001).

The Lisbon Treaty was initially rejected by Ireland in a referendum held in 2008, but was accepted in 2009 after the EU had granted certain concessions. It entered into force in 2009 after it had also been ratified by Poland and the Czech Republic. The agreements that were amended through the Treaty of Lisbon are now called the Treaty on European Union (TEU) and the Treaty on the Functioning of the European Union (TFEU).



### Co-decision procedure

This procedure is defined in the Treaty of Lisbon as the ordinary legislative procedure and is applied in most areas. Here, the European Parliament and Council of the European Union have largely equal powers.

### Qualified majority

As a rule, the Council of the European Union decides on the basis of a qualified majority, including in the co-decision procedure. The member states are allocated a certain number of votes depending on their size. With the entry into force of the Treaty of Lisbon, the area in which a qualified majority is required instead of the principle of unanimity was extended.

### Double majority

In accordance with the Treaty of Lisbon, the qualified majority is to be redefined in terms of a double majority of the states and the people. The qualified majority is reached if it represents at least 55% of member states and 65% of the total EU population. The rule of double majority will be obligatory as of 2017; it has, however, been applied since 2014 where no objection is made by a member state.

- » Council of the European Union
- » Euratom
- » European Commission
- » European Parliament



### Initiative "Stop Mass Immigration"

On 9 February 2014, 17 of the 26 Swiss cantons and 50.3% of the Swiss electorate voted "yes" to the popular initiative "Stop Mass Immigration". Voter turnout was 56.6%. The Federal Council and Parliament have three years to implement the initiative.

In 2014, Switzerland's net immigration rate was 1.6%. By comparison, the rate in the United Kingdom was 0.5%.



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### **Specialist contact**

Directorate for European Affairs (DEA)  
[www.eda.admin.ch/europa](http://www.eda.admin.ch/europa)  
Tel.: +41 58 462 22 22  
Email: [europa@eda.admin.ch](mailto:europa@eda.admin.ch)

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