



# **2019**

# **Annual Activity Report**

**Task Force for  
Relations with  
the United  
Kingdom (UKTF)**

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## THE TASK FORCE IN BRIEF

*This Annual Activity Report refers to the **Task Force for the Preparation and Conduct of the Negotiations with the United Kingdom under Article 50 of the Treaty on European Union (TF50)** (until 15/11/2019) and the **Task Force for Relations with the United Kingdom (UKTF)** since 16 November 2019 (in accordance with the Commission's decision of 22 October 2019<sup>1</sup>).*

**From 1 October 2016 until 16 November 2019, the TF50** was in charge of preparation and conduct of the negotiations with the United Kingdom under Article 50 of the Treaty on European Union (TEU).

**On 22 October 2019**, the Commission decided to merge **the TF50** and **the Brexit Preparedness Unit** of the Secretariat-General to establish **the UKTF**. The UKTF started **on 16 November 2019** and it has been or is currently in charge of:

- the finalisation of the negotiations under Article 50 of the TEU which ended early in 2020,
- the preparedness work related to the withdrawal of the United Kingdom from the European Union without a ratified deal at the end of the transition period,
- the preparation and conduct of the negotiations on the future relationship with the United Kingdom.

The UKTF is coordinating the Commission's work on all **strategic, operational, legal and financial issues** related to the relations with the United Kingdom in close cooperation with the Secretariat-General and all Commission services concerned.

The UKTF retains its **coordinating role with other Institutions** (the European Parliament and the Council) under the direct authority of **the Commission President** and in full respect for the role of **the High Representative of the Union for Foreign Affairs and Security Policy (HR/VP)**.

In accordance with the Commission's decision, **Michel Barnier, Head of the Task Force**, is *"advised by a group of Directors-General dealing with the issues relevant to negotiations."*<sup>2</sup>

The UKTF performs its duties **under the direct authority of the Commission President**, in close cooperation with the Secretariat-General and all the relevant services.

Administratively, the UKTF is attached to the Secretariat-General of the Commission, which supports the UKTF for all administrative and budgetary matters. The UKTF is also supported by the Legal Service for all legal matters and it draws on the policy support and expertise from all Commission services necessary to fulfil its tasks.

<sup>1</sup> <https://ec.europa.eu/transparency/regdoc/rep/10061/2019/EN/PV-2019-2312-F1-EN-MAIN-PART-1.PDF>

<sup>2</sup> <https://ec.europa.eu/transparency/regdoc/rep/10061/2019/EN/PV-2019-2312-F1-EN-MAIN-PART-1.PDF>

## EXECUTIVE SUMMARY

### a) Key results and progress towards the achievement of the Commission's objectives

#### Article 50 negotiations

The withdrawal of the United Kingdom from the European Union represented unprecedented legal, administrative, economic, financial, human, social and political challenges.

In line with the key objective of Article 50 negotiations, the Commission negotiators worked intensively with the UK negotiators to achieve **an orderly withdrawal** of the United Kingdom (UK) from the European Union (EU) and the European Atomic Energy Community (Euratom).

A withdrawal agreement and the political declaration setting out the framework for the future EU-UK relationship were initially agreed on 25 November 2018 (see AAR 2018). However, despite clarifications presented in an exchange of letters on 14 January 2019 between the UK Prime Minister Theresa May<sup>3</sup> and Presidents Tusk and Juncker<sup>4</sup>, and the additional agreement of 11 March 2019 on an Instrument relating to the Withdrawal Agreement<sup>5</sup> as well as a Joint Statement supplementing the Political Declaration<sup>6</sup>, the UK government did not obtain the necessary support from its Parliament to proceed with the signature and ratification of the Withdrawal Agreement.

Responding to a request from the UK to extend the 29 March deadline, the European Council (Article 50) initially granted an extension until 12 April 2019<sup>7</sup>, and subsequently agreed to a further one until 31 October 2019<sup>8</sup>. These decisions were taken in agreement with the United Kingdom.

#### Finalisation of Article 50 negotiations

Following the resignation of Theresa May as Prime Minister of the United Kingdom (July 2019), the new UK government, led by Prime Minister Boris Johnson, sought modifications of the Protocol on Ireland and Northern Ireland<sup>9</sup> attached to the Withdrawal Agreement. The UK government also sought amendments to the Political Declaration with a view to reflecting its vision for the future relationship with the EU.

<sup>3</sup> <https://www.consilium.europa.eu/media/37878/20190114-letter-may-to-tusk-juncker-brexit.pdf>

<sup>4</sup> [https://ec.europa.eu/commission/sites/beta-political/files/letter\\_to\\_prime\\_minister\\_may.pdf](https://ec.europa.eu/commission/sites/beta-political/files/letter_to_prime_minister_may.pdf)

<sup>5</sup> [https://ec.europa.eu/commission/publications/instrument-relating-agreement-withdrawal-united-kingdom-great-britain-and-northern-ireland-european-union-and-european-atomic-energy-community\\_en](https://ec.europa.eu/commission/publications/instrument-relating-agreement-withdrawal-united-kingdom-great-britain-and-northern-ireland-european-union-and-european-atomic-energy-community_en)

<sup>6</sup> [https://ec.europa.eu/commission/publications/joint-statement-supplementing-political-declaration-setting-out-framework-future-relationship-between-european-union-and-united-kingdom-great-britain-and-northern-ireland\\_en](https://ec.europa.eu/commission/publications/joint-statement-supplementing-political-declaration-setting-out-framework-future-relationship-between-european-union-and-united-kingdom-great-britain-and-northern-ireland_en)

<sup>7</sup> <https://www.consilium.europa.eu/en/press/press-releases/2019/03/22/brexit-european-council-adopts-decision-extending-the-period-under-article-50/>

<sup>8</sup> <https://www.consilium.europa.eu/en/meetings/european-council/2019/04/10/>

<sup>9</sup> [https://ec.europa.eu/commission/publications/withdrawal-agreement-and-political-declaration-official-journal-european-union-19-february-2019\\_en](https://ec.europa.eu/commission/publications/withdrawal-agreement-and-political-declaration-official-journal-european-union-19-february-2019_en)

Following negotiations between the EU and UK during September and October 2019 the Task Force, under the authority of Michel Barnier, reached an agreement on a **revised Protocol on Ireland / Northern Ireland**, and a **revised Political Declaration** on the framework of the future EU-UK relationship.<sup>10</sup>

On 17 October 2019, the European Council (Article 50) endorsed the Withdrawal Agreement and approved a revised Political Declaration on the framework of the future EU-UK relationship.<sup>11</sup>

On 19 October 2019, the UK submitted a request for an extension of the 31 October 2019 deadline. With a view to allowing more time to finalise the ratification of the Withdrawal Agreement, the European Council adopted a decision to extend the period under Article 50 until 31 January 2020.<sup>12</sup> This decision was taken in agreement with the United Kingdom.

**The Withdrawal Agreement** fully respects the fundamental principles defined by the European Council (Article 50) guidelines, which aim to create legal certainty and preserve Union interests on issues where Brexit creates uncertainty. This concerns most notably citizens' rights, the financial settlement, the avoidance of a hard border on the island of Ireland, and a strong governance system preserving the role of the European Court of Justice for the interpretation of Union law.

The Withdrawal Agreement covers a range of other separation issues in order to provide legal certainty for citizens, stakeholders and businesses. It also includes a **transition period** until the end of 2020, which can be extended once, for up to 1 or 2 years, but such extension must be decided by mutual EU-UK agreement before 1 July 2020. During the transition period, EU law continues to apply to and in the UK. The EU treats the UK as if it were a Member State, with the exception of participation in the EU institutions and governance structures.

The Withdrawal Agreement is accompanied by a revised **Political Declaration on the framework of the future EU-UK relationship** in line with Article 50 of the TEU, which states that the Withdrawal Agreement should take account of the framework of the future relationship.

For more information see:

[https://ec.europa.eu/commission/presscorner/detail/en/QANDA\\_20\\_104](https://ec.europa.eu/commission/presscorner/detail/en/QANDA_20_104)

### **Ratification process**

On 24 January 2020, the European Union and the United Kingdom signed the Withdrawal Agreement. Following the European Parliament's vote of consent on 29 January 2020 and the Council's decision on the conclusion of the Withdrawal Agreement on 30 January 2020, the Withdrawal Agreement entered into force on 1 February 2020.<sup>13</sup>

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<sup>10</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ%3AC%3A2019%3A384I%3ATOC>

<sup>11</sup> <https://www.consilium.europa.eu/en/meetings/european-council/2019/10/17/art50/>

<sup>12</sup> <https://www.consilium.europa.eu/en/press/press-releases/2019/10/29/brexit-european-council-adopts-decision-to-extend-the-period-under-article-50/>

<sup>13</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L:2020:029:TOC>

### **Transparency in Article 50 negotiations**

Throughout the negotiations, the Task Force and its Chief Negotiator / Head of Task Force, have ensured an **inclusive process**, with regular meetings of the 27 EU Member States, as well as with the European Parliament and national parliaments. Additional input from EU consultative bodies and stakeholders has helped gather evidence in the process.

The negotiations were carried out with **unprecedented transparency** and in a spirit of openness and dialogue with stakeholders and civil society.

The Commission has demonstrated its commitment to transparency by proactively publishing all draft negotiation positions, EU position papers, technical notes, agendas for the negotiation rounds and the draft and the final Withdrawal Agreement on a dedicated website.<sup>14</sup>

### **Preparation of the negotiations on the future EU-UK relationship**

The Task Force in close cooperation with all Commission's services concerned and the European External Action Service as well as in consultation of the Council and the European Parliament, prepared Commission's Recommendation for a Council decision authorising the opening of negotiations for a new partnership with the UK.<sup>15</sup>

### **Implementation of the Withdrawal Agreement**

In parallel to the negotiations on the EU-UK future relationship, the implementation of the Withdrawal Agreement will be closely monitored by the Task Force and the relevant Commission's services. The Joint Committee established by the Withdrawal Agreement will have to make a number of key decisions in this respect.

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<sup>14</sup> [https://ec.europa.eu/commission/brexit-negotiations\\_en](https://ec.europa.eu/commission/brexit-negotiations_en)

<sup>15</sup> [https://ec.europa.eu/info/european-union-and-united-kingdom-forging-new-partnership/future-partnership/guide-negotiations\\_en](https://ec.europa.eu/info/european-union-and-united-kingdom-forging-new-partnership/future-partnership/guide-negotiations_en)

## b) Financial management and Internal control

The Task Force has delegated the management of its budget lines to the Secretariat-General through a co-delegation type 2. The Secretariat-General establishes in close cooperation with the Task Force the needs and acts as central contact point towards DG BUDG. All transactions are validated within the existing workflows. The Secretariat-General is reporting on the implementation of the received appropriations towards the Task Force on a monthly basis.

In 2019, the Task Force received 184 174 EUR new administrative commitment appropriations. An additional amount of 75 000 EUR was transferred from SG and an additional amount of 10 348 EUR was transferred from SRSS. An amount of 34 050 EUR was transferred to the Contractual Staff. On the remaining 235 472 EUR, 229 977.05 EUR have been committed.

Payments have been co-delegated to SG and PMO in accordance with the internal rule 2018 in relation with budget line 25 01 02 11.

Even though the Task Force does not manage payments, it has systematically examined the control results, including those for supervising entities to which it has entrusted budget implementation tasks.

The Task Force has assessed its internal control system during the reporting year and has concluded that it is effective and the components and principles are present and functioning as intended.

In conclusion, management has reasonable assurance that, overall, suitable controls are in place and working as intended; risks are being appropriately monitored and mitigated. The Director General, in his capacity as Authorising Officer by Delegation has signed the Declaration of Assurance.

### Risk Assessment

#### - POLITICAL RISK

The United Kingdom's withdrawal from the European Union without a ratified deal has been considered as **a cross cutting risk at corporate level** throughout 2019 and consequently the appropriate mitigating measures were adopted by the Commission.

Following the successful ratification of the Withdrawal Agreement, legal certainty is provided for citizens' rights and financial settlement as the UK will fully contribute to the financing of the Multiannual Financial Framework (2014-2020). The Protocol attached to the Withdrawal Agreement also provides for a legally operative solution to avoid a hard border on the island of Ireland, to protect the all-island economy and the Good Friday (Belfast) Agreement in all its dimensions and to safeguard the integrity of the Single Market. The agreement also settles the disentanglement of the United Kingdom from the Union.

In relation to **the negotiations on the future EU-UK relationship**, there is a new political risk, namely **a possibility of a so-called cliff-edge at the end of 2020**, if both parties fail to reach an agreement on the future economic and security partnership before the end of the transition period.

#### - **TECHNICAL RISKS**

Technical risks (e.g. IT failure) could negatively affect the operation of the Task Force, especially at critical instances of the negotiations. The Task Force works with the common infrastructure of the Commission, which includes regular back up of the systems.

### **Risk management**

The Task Force has put risk management at the core of its functioning, given the sensitivity of its operation and the challenge of dealing with an extraordinary event, of large breadth and depth, characterised by the need to act under significant time pressure and of very high political importance.

In 2019 (as previous years) the main risk identified was linked to security of information, in view of possible inappropriate access or leaks. A number of exceptional mitigating measures were introduced, as described in the heading below. The Task Force has also looked at other risks linked to its operations. Given the complexity of the exercise, involving all EU policy and requiring acting in a very short period, the Task Force has also established dedicated channels of communication with other services and DGs of the Commission, via the Brexit contact points. Business continuity was ensured based on the Commission's standards and requirements.

In view of the negotiations on the future EU-UK partnership and plans of negotiation rounds in Brussels and London, additional security measures will be undertaken based on the threat assessment.

### **Fraud prevention and safeguarding of information**

Since its creation, the Task Force developed and implemented its own security of information strategy, elaborated based on the advice and recommendation of DG HR (Security Directorate).

In particular, in order to minimise the risk of inappropriate access to information and leaks, in addition to the standard Commission measures, the physical space of the Task Force was secured with closed doors accessible only with badge and finger print.

From an IT perspective, a secured dedicated platform for exchange of briefings and related documents with the other DGs and services was set up (a tailor-made BASIS system). The Task Force made extensive use of SECEM mail for exchange of information. In addition, the secured application for the management of the EU restricted documents (RUE) was made available to staff as well as personal printers



isolated from the network. Files are stored in an encrypted disk. Staff was also asked to pass security clearance and to follow security training courses.

The Task Force Security Monitoring Project has been implemented. DIGIT-S2 SOC (Security Operations Center), which is a Special IT team, monitored the use of all Task Force NET1 accounts to check that credentials have not been stolen.

Financial fraud risks appeared to be limited and mitigated as the budget of the Task Force was closely monitored by the SG and DG BUDG.

### **Selected list of security measures for the Task Force**

#### Mandatory for all staff

- ✓ *Security clearance*
- ✓ *EUCI authorisation briefing delivered by DG HR/DS*
- ✓ *Specific security briefing delivered by DG HR/DS.3*

#### Infrastructure

- ✓ *Restricted zone: security doors with badge and finger print*

#### Informatics

- ✓ *Encrypted disk (LanEncrypt)*
- ✓ *Account RUE and SECEM, personal printer not connected to the network*
- ✓ *BASIS: specifically modified for the Task Force (deployed after DG HR/DS agreement Ares(2017)2973768)*

#### Minimising risks related to external visitors

- ✓ *Registration of external participants (stakeholders) via e-pass*

#### Additional security measures in view of negotiations on future negotiations:

- ✓ *Threat assessment related to negotiation rounds in London*
- ✓ *A renewed security awareness-raising briefing for UKTF staff*
- ✓ *Security of negotiation premises*

## c) Transparency and communication activities

The negotiations have been carried out with unprecedented transparency (acknowledged by the European Ombudsman<sup>16</sup>) and in regular dialogue with stakeholders, covering a balanced set of interests in terms of the Member States, economic sectors and civil society.

### Key figures<sup>17</sup>:

- Over 650 meetings between Michel Barnier /or Task Force Members with stakeholders registered in the EU Transparency register,
- 150 outreach events for EU citizens in over 50 UK locations (organized with the support of the European Commission),
- Over 160 documents published on the website (with e-mail alert service informing around 5 000 subscribers),
- Substantive replies to over 15,000 Brexit-related citizens' enquiries,
- Over 100 replies to access-to-document requests.

## Data Protection

Following the entry into force of the General Data Protection Regulation (GDPR) on 25 May 2018 and the Regulation (EU) 2018/1725 on the processing of personal data by the EU Institutions and bodies<sup>18</sup> on 11 December 2018, the Task Force has contributed to Commission-wide initiatives on data protection, ensuring that the Commission leads by example in respecting data protection principles.

In line with the Commission's Data Protection Action Plan (C(2018)7432), the Task Force took the major steps for data protection implementation:

- ✓ Establishment of a complete inventory of all data processing operations for the Task Force, namely:
  - Management of subscriptions to receive information (Brexit newsletter);
  - Meetings/Events (Event Management Tool);
  - Code of Good Administrative Behaviour (citizens and stakeholders' letters).
- ✓ Assessment of compliance with general principles (Art. 4 Reg. 2018/1725), in particular as regards lawfulness, data minimisation and storage limitation;
- ✓ Appropriate information provided to the data subjects concerned through concise and intelligible privacy statements;
- ✓ Establishment of internal procedure in case of data breach.

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<sup>16</sup> Ombudsman commends EU record on Brexit transparency: <https://www.ombudsman.europa.eu/en/press-release/en/109859>

<sup>17</sup> Please note that these figures relate to the period from July 2017 until end of 2019.

<sup>18</sup> [https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L\\_.2018.295.01.0039.01.ENG&toc=OJ:L:2018:295:TOC](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2018.295.01.0039.01.ENG&toc=OJ:L:2018:295:TOC)

## DECLARATION OF ASSURANCE

*I declare that in accordance with the Commission's communication on clarification of the internal control framework<sup>19</sup>, I have reported my advice and recommendations to the Head of the Task Force, on the overall state of internal control in the Task Force.*

*I hereby certify that the information provide in the present AAR and in its annexes is, to the best of my knowledge, accurate and complete.*

*[Signed]*

*Paulina Dejmek Hack*

*Director*

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<sup>19</sup> C(2017)2373 of 19.04.2017

## DECLARATION OF ASSURANCE

*I, the undersigned,*

*Head of the Task Force for relations with the United Kingdom*

*In my capacity as authorising officer by delegation*

*Declare that the information contained in this report gives a true and fair view<sup>20</sup>.*

*State that I have reasonable assurance that the resources assigned to the activities described in this report have been used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions.*

*This reasonable assurance is based on my own judgement and on the information at my disposal, such as the results of the self-assessment and ex-post controls.*

*I hereby confirm that I am not aware of anything not reported here which could harm the interests of the institution.*

*Brussels, 31.03.2020*

.....

*[Signed]*

*Michel Barnier*

*Head of the Task Force*

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<sup>20</sup> True and fair in this context means a reliable, complete and correct view on the state of affairs in the DG/Executive Agency.