

Trade and Cooperation Agreement
Second Meeting of the Partnership Council
Minutes

London and virtual

24 March 2023

10:15 to 11:30 GMT

1. Opening and adoption of the agenda

The UK Co-Chair, the Rt Hon James Cleverly MP, Secretary of State for Foreign, Commonwealth and Development Affairs, opened the meeting by welcoming the Windsor Framework agreement and looked forward to improved cooperation in a range of areas under the Trade and Cooperation Agreement (TCA), including the parties' shared interests in energy security, the green transition, trade, science and research. The UK highlighted its desire to maximise the potential of the TCA to the benefit of citizens, businesses and civil society.

The EU Co-Chair, European Commission Vice-President Maroš Šefčovič, highlighted that the Windsor Framework marked a turning point in how both parties work together collaboratively and constructively.

The agenda was adopted.

2. Energy

The UK opened this item by emphasising the importance of collaboration on energy, as Europe decouples from Russian hydrocarbons. The UK reiterated the importance of close cooperation between governments and the parties' respective technical experts including Transmission System Operators (TSOs) on issues such as security of supply. The UK also emphasised that the implementation of the electricity trading provisions in the TCA should progress at pace, and that efficient trading is important to realise the benefits of offshore renewables in the North Sea.

The UK noted that it welcomed the EU's climate ambitions. On the EU Green Deal Industrial Plan (GDIP) in particular, the UK asked to understand better how the GDIP proposals were compliant with the TCA.

The EU emphasised that their goals on climate change and on shifting away from reliance on Russian gas supplies were aligned with the UK. On electricity trading the EU noted that the practical implementation of this work had proved more difficult than both the EU and the UK

had anticipated during the negotiations but that the Specialised Committee on Energy was pressing ahead with this work. On security of supply the EU noted that constructive cooperation had taken place throughout this winter, which would also be necessary next winter. The EU confirmed that the Specialised Committee on Energy should progress the TSO working arrangements envisaged in the TCA.

In response to the UK's question on GDIP, the EU laid out its policy aims in this area and the four key pillars of the plan. The EU stated that the GDIP aimed to strengthen the EU's sovereignty on energy supply and to help achieve the EU's transition to climate neutrality by 2050. The EU emphasised that GDIP aligned with all its international obligations, including under the TCA.

3. Regulation

The EU confirmed its efforts to complete internal procedures required for signing a Memorandum of Understanding (MoU) on Financial Services soon, which would establish the EU-UK financial regulatory forum. On TCA Working Groups it highlighted that both sides should enable Working Groups to meet and agree model Rules of Procedure given the new context post negotiation of the Windsor Framework, but stated that Working Groups should only meet when both parties agree to do so. The EU also indicated that cooperation between the UK and EU Intellectual Property Offices (IPOs) is important. The EU co-chair said that he was ready to make contact with the EU IPO to encourage it to cooperate with the UK IPO, in line with current EU IPO's practice on cooperation with third countries' offices, which usually takes place on the basis of an MoU.

The UK highlighted that the TCA is a good framework to support regulatory cooperation and that it was seeking to maximise opportunities in this area under the agreement, including through suggesting practical improvements in areas like automotives, medical products and organics. The UK looked forward to the finalisation of the Financial Services MoU soon, noting that a close dialogue in this area was in both parties' interests given the scale of cross border trade and investment between the UK and EU. The UK also welcomed increased cooperation between the parties' respective IPOs via the MoU currently in train and the standing up of TCA Working Groups soon.

The EU raised its concerns as regards the UK's Retained EU Law (REUL) Bill and the Bill of Rights Bill. In respect of the Retained EU Law (REUL) Bill, the EU raised concerns in respect of the United Kingdom's obligations under the Withdrawal Agreement and the TCA and that the Bill could give rise to significant regulatory divergence. In respect of the Bill of Rights Bill, the EU said that it raises questions for them in relation to the right to an effective remedy and the binding character of the decisions of the European Court of Human Rights. The EU requested that UK and EU technical experts meet to discuss the REUL Bill further.

On both Bills, the UK noted that these bills were pending before the UK Parliament responded that its approach was consistent with its international obligations and noted high standards across areas such as the environment, workers' rights, health and safety.

4. Security

The UK and EU both highlighted their broad cooperation in responding to Russia's illegal invasion of Ukraine, and that this was a reminder of the parties' shared values and commitment to European security.

The UK highlighted the parties' shared interest in the protection of open, stable and secure cyberspace, and proposed establishing a regular dialogue, as provided for in Article 703 TCA, on cyber issues, which the EU agreed to. To make the most of the TCA the parties also agreed to establish a regular dialogue on counterterrorism, as provided for in Article 768(3) TCA, to send a message on their strong partnership in this area.

The EU outlined the utmost importance that the United Kingdom fully implements the TCA by no later than 1 January 2024 and enables the automatic deletion of passenger name record (PNR) data of passengers after their departure from the UK, unless a risk assessment indicates a need to retain it, noting that the current interim period could not be extended further. It asked the UK for an update on implementation. The UK confirmed it was on track to complete the technical adjustments to the UK PNR data systems by the end of the year. The parties agreed that the Specialised Committee on Law Enforcement and Judicial Cooperation would return to this issue when it next meets, where the UK would welcome an update on the EU's treatment of UK PNR data.

5. Union Programmes

The UK opened this item by welcoming the EU's recent openness to discuss UK association to EU programmes following the agreement of the Windsor Framework. The UK looked forward to approaching these discussions constructively, whilst emphasising its priority was to support the UK R&D sector. As both parties discussed a way forward, the UK emphasised the need to reflect the impact of over two years of missed participation in EU programmes.

The EU stressed that it continued to recognise the mutual benefit of cooperation in science, research and innovation, nuclear research and space. The EU emphasised that, in its view, the agreement of the Windsor Framework allowed the parties to deepen cooperation in line with the terms agreed under the TCA. The EU was clear that UK association to Horizon Europe, Euratom Research and Training Programme, Fusion for Energy/ITER, Copernicus and Space Surveillance and Tracking, as of 2023, could now happen swiftly, based on the quick agreement of limited amendments to the draft Protocols. The EU also noted that the UK

should not be bound to make financial contributions for 2021 and 2022, i.e. when it was not associated.

Both parties looked forward to the co-chairs of the Specialised Committee on Participation in Union Programmes engaging in discussions in the coming weeks.

6. AOB

Target Operating Model (TOM)

The EU asked when to expect further details on UK import controls, the changes to which have been previously postponed. The EU stated that operators from both sides of the Channel wanted details of the UK's Target Operating Model (TOM) as soon as possible, so that they have sufficient time to adapt to any new rules. The UK confirmed that the draft TOM would be published soon.

Fiscal representatives

The UK highlighted its desire to lower the TCA debt recovery threshold to avoid the unnecessary cost for UK businesses and EU consumers of having to establish a fiscal representative in both jurisdictions. The EU indicated that its position had not changed on this issue and stated that it was focused on implementing the VAT Protocol.

Touring artists

The UK raised the issue of UK touring artists and thanked the TCA Parliamentary Partnership Assembly for their discussion of this issue. The UK emphasised that it was keen to protect the broader contribution that touring creatives brought to the UK and EU. In response, the EU maintained that this issue has been covered at length in previous occasions and recalled that the situation of UK touring artists was the result of the UK leaving the single market, including the free movement of persons, and the customs union.

Live Bivalve Molluscs (LBMs) and seed potatoes

Finally, the UK raised the EU's prohibition on undepurated Live Bivalve Molluscs from Class B waters and seed potatoes. The UK restated its outstanding request for a risk assessment underpinning the EU's prohibition, as requested via a letter sent to the EU in June 2022. The EU indicated that it would reply to the UK's letter shortly.

Annex 1: Decisions and recommendations adopted by written procedure since the first meeting

Decision No 2/2021 of the Partnership Council as regards the extension of the interim period during which the United Kingdom may derogate from the obligation to delete Passenger Name Record data of passengers after their departure from the United Kingdom

Decision No 1/2022 of the Partnership Council as regards the adoption of operational guidelines for the conduct of the Civil Society Forum

Decision No 2/2022 of the Partnership Council as regards the second and last extension of the interim period during which the United Kingdom may derogate from the obligation to delete Passenger Name Record data of passengers after their departure from the United Kingdom

Decision No 3/2022 of the Partnership Council establishing a list of individuals who are willing and able to serve as members of an arbitration tribunal under the Trade and Cooperation Agreement

Annex 2: Participation list

UK Delegation

- UK Co-chair of the Partnership Council
- UK Government Officials from the Foreign, Commonwealth and Development Office
- UK Government Official from the UK Mission to the European Union
- Scottish Government Officials
- Northern Ireland Executive Officials
- Welsh Government Officials
- Officials from the Isle of Man, Bailiwick of Jersey and Bailiwick of Guernsey

EU delegation

- EU Co-chair of the Partnership Council
- European Commission Officials
- EU officials from the European External Action Service and Delegation of the EU to the UK
- Representatives of EU Member States