

## Update on EU-UK negotiations, 8 May 2020

The second formal round of EU-UK negotiations on the future relationship took place on the week of 20 April. The round took place entirely by video conference in light of COVID-19 restrictions. 40 video conferences were held on the 11 identified work streams, with negotiators acknowledging that it is not the same thing as negotiating face to face. Despite this challenge both sides welcomed the professional constructive atmosphere between negotiators. Further rounds are scheduled for 11 May and 1 June.

### Negotiations update

The European Commission has published its opening position, a draft agreement text. The UK has not made any of its negotiating documents public yet. However, we do know that the UK approach is grounded in previous agreements that the EU has with partners; they are pointing to a precedent for key asks. For example, the UK often refers to provisions in the EU-Canada trade arrangement (CETA). The EU has underlined that the geographic proximity of the UK to the EU creates a different dynamic and therefore requires level playing field provisions that would not ordinarily be included in an FTA style agreement.

Both sides have now exhausted the opportunity to set out their positions and exchange papers. If progress on substance is to be made in the upcoming rounds then negotiators will have to tackle the hard issues, get beyond the rhetoric and into the real detail of how the new trading arrangements will work. The EU chief negotiator Michel Barnier and his team want to see progress on four essential areas: level playing field, governance of the agreement, police and judicial cooperation and fisheries. The UK say they want the level of ambition to match that of other FTAs (e.g. CETA) and to take a pragmatic approach on trade and other areas based on precedents. To achieve the required progress by June, when a high-level stock taking summit will take place, the EU and UK will need to bridge the gap between these positions.

In parallel, the European Commission is proceeding with its assessment of the financial services (Equivalence Decision) and data protection (Data Adequacy Decision) regimes in the UK. These are decisions that the Commission makes unilaterally on the regime of a third country and are not a negotiation process. The risk remains however that these technical decisions will be politicised in light of negotiations on other issues.

### The Joint Committee and the Specialised Committee on Ireland/Northern Ireland

The Joint Committee, the body which oversees the implementation of the Withdrawal Agreement, met for the first time on 30 March. This is a high-level Committee co-chaired by Michael Gove, Chancellor of the Duchy of Lancaster and Minister for the Cabinet Office, and Maroš Šefčovič, EU Commissioner for Inter-institutional Affairs and Foresight. One of the key objectives of the first meeting was to establish several Specialised Committees to work on proposals for decision by the Joint Committee.

The Specialised Committee on the Protocol on Ireland/Northern Ireland met at officials' level on 30 April. In addition to the EU and UK, officials from the Northern Ireland Executive and Irish government also attended. This Committee will do the technical work on implementing Protocol, with any further decisions being taken by the Joint Committee. Both sides reiterated their commitment to implementing the Protocol and protecting the Good Friday Agreement. The Protocol

applies from 1 January 2021. A lot of detail remains to be worked out on its implementation to give clarity to business and citizens on the island of Ireland. The Joint Consultative Working Group will now be convened to discuss details on implementation, reporting back to the Specialised Committee.

### Looking ahead

At this stage there is no indication that the UK will seek an extension to the transition period, in fact the government has reiterated its intention not to seek it. Under the terms of the Withdrawal Agreement the request must be made by the end of June. The issue of extension is already highly political in the UK and will now be considered at the same time as the government considers its exit strategy and recovery plans from the COVID-19 pandemic.

Business must await the outcome of the high-level stock taking summit that will take place in June and prepare on the basis that the transition period will expire on 31 December 2020. The European Commission has published [updated notices](#) advising stakeholders on a range of issues that will come in to play at the end of the transition period.