

# **Meeting of the UK TCA Domestic Advisory Group**

## **20 September 2023**

### **Agenda:**

1. Introduction and welcome (5 mins)
2. Adoption of minutes from 13 June (5 mins)
3. Update from subgroups on priorities for upcoming Specialised Committee meetings:
  - a. Business and Labour Mobility (10 mins)
  - b. Trade and Customs (10 mins)
  - c. Regulatory Cooperation and Level Playing Field (10 mins)
  - d. Energy and Climate Change (10 mins)
  - e. Issues Affecting Nations and Regions (10 mins)
4. FCDO outline of plans for Civil Society Forum (15 mins)
5. AOB (5 mins)

### **Introduction and welcome:**

1. Irene Oldfather (vice-chair) opened the fourth plenary meeting of the TCA UK Domestic Advisory Group (DAG) and welcomed Specialised Committee (SC) representatives from the UK government and observers from the Scottish Government, Welsh Government and Northern Ireland Executive. She noted that Kate Ling, Fergus McReynolds and Geoff Nutall were leaving the group and paid tribute to their work. Steve Turner, co vice-chair, sent apologies.

### **Adoption of 13 June minutes:**

2. Irene Oldfather introduced the item and explained that the minutes from the last meeting had been pre-circulated, and minor amendments made. She then invited members to comment on minutes.
3. A member commented that the minutes did not capture the sentiment that the door was open for the UK to rejoin EU youth mobility programmes in future.
4. Irene Oldfather had considerable empathy with pursuing the point but felt that the minutes as drafted reflected what the ambassador had said. No other matters were raised, so the minutes were adopted.

### **Update from subgroups on priorities for upcoming (Trade) Specialised Committee meetings:**

5. Sean McGuire resumed chairing responsibilities and commented that the last few months had been a difficult time for the Confederation of British Industry (CBI), thanking members of the Executive Council (ExCo) for their support. He assured members that the CBI was committed to implementing all 34 recommendations made by Fox Williams, the independent law firm appointed to investigate allegations of misconduct at the organisation.
6. He introduced the agenda item and invited representatives from Specialised Committees to listen and reflect on subgroups' recommendations. He commented that members should consider which subgroup recommendations

could be included in a joint statement with the EU DAG and said providing case studies for UK co-chairs to use during Specialised Committee meetings would be a great use of the group's expertise.

### **Subgroup on Business and Labour Mobility:**

7. Marco Cillario said the business and labour mobility subgroup, which met for the first time on 18 July, encompassed a diverse range of professions. He said the subgroup's recommendations covered four key themes:
  - a. *TCA implementation* – There are several sections of the TCA text which are yet to be implemented. Businesses continue to report issues with short-term travel to the EU caused by a lack of clarity on documentation from EU member states.
  - b. *TCA review* – Although the EU has indicated it would prefer a de minimis review of the TCA focusing on implementation, this would leave room for additions to the list of activities short-term business travellers can carry out in the EU and a cap on visa processing times and costs. There is now precedent for an agreement with the EU on mutual recognition of professional qualifications after the UK reached a with Switzerland. Youth mobility schemes would likely be out of scope of the TCA review, but they should be considered before or during the review period.
  - c. *UK inbound mobility* – The UK's own immigration regime should have a broader range of categories for business travellers reflective of industry needs.
  - d. *Touring artists* – Creatives should be able to travel and work in the EU for longer than 90 days, a limit which does not account for how most tours are structured.
8. Points raised in discussion:
  - a. *Case studies* – Providing examples of cases where business travellers were unnecessarily stopped at the EU border would support the arguments made by UK SC co-chairs.
  - b. *Cabotage and crew* – Rules on touring artists also affect crew members and the transport of large quantities of equipment necessary for performances. Many UK cabotage companies have had to set up EU entities to facilitate this since Brexit.
  - c. *Bar Council comments* – The Bar Council has responded in writing with comments, which will be reflected in the final paper.
  - d. *E-gates and ETIAS* – Financial services stakeholders feel that allowing UK passport holders to use E-gates at the EU border would be a straightforward but very significant improvement. The UK should also consider pushing for an exemption for UK passport-holders from the upcoming EU electronic travel authorisation system.
  - e. *TSC schedule* – A member asked whether the schedule of upcoming (T)SCs could be published on the DAG gov.uk homepage.
9. Sean McGuire thanked members for their contributions, asked for further comments by 29<sup>th</sup> September and asked the DAG Secretariat to look into publication of the schedule.

### **Subgroup on Trade and Customs:**

10. Konstanze Scharring said the trade and customs subgroup's 24 members had produced a tracker which rated issues relating to trade and customs according to their severity. She said it mainly focused on goods but could be expanded to cover services in the future, and that she hoped many of the issues would be shared with the EU DAG. She identified the need to delay rules of origin tariffs on electric vehicles as the most urgent issue but said the UK and EU should also focus on establishing sector-specific working groups and publishing timely and clear guidance for businesses on new customs arrangements.
11. Points raised in discussion:
  - a. *Tracker format* – The tracker is a very practical and succinct format for identifying and prioritising issues.
  - b. *Services* – Although goods are the primary focus of the subgroup at present, it is very helpful for the tracker to accommodate services issues in future.
  - c. *Penalties* – Clear guidance for businesses is very important, but the UK and EU should consider implementing grace periods before penalties apply to give businesses as much time as possible to adapt to new rules.
12. The customs SC representative commented that the agenda was in the advanced stages of completion and that he was keen to hear members' thoughts.
13. Konstanze Scharring emphasised that electric vehicles rules of origin changes were the most urgent issue and that it was important the UK co-chairs took the opportunity to discuss it at Monday's SC meeting.
14. Sean McGuire concluded that the SC on Customs Cooperation and Rules of Origin was meeting on Wednesday 27 September, so any comments on the tracker should be sent by COP Friday 22nd.

### **Subgroup on Regulatory Cooperation and Level Playing Field:**

15. Rosa Crawford said the regulatory cooperation and level playing field subgroup had a diverse membership including businesses, legal groups and trade unions. She said they have had preliminary discussions with UK government LPF SC representatives on ways to feed in Level Playing Field and regulatory cooperation issues horizontally across the specialised committees.
16. She noted that the subgroup had produced a paper which covered the following medium-term issues:
  - a. *Level playing field* – Members are concerned that changes to environmental and employment regulation resulting from the Strikes Act and Retained EU Law Act could go against level playing field provisions in the TCA. The paper notes the importance of the UK and EU continuing to at least uphold Level Playing Field commitments to maintain high standards of employment and environmental protection.
  - b. *Illegal Migration Act* – Similarly, members believe the exercise of powers under the Illegal Migration Act could breach the TCA commitment to uphold international human rights conventions. The

paper notes the importance of the UK and EU upholding commitments to international human rights commitments in the TCA.

- c. *Regulatory cooperation* – The paper outlines a range of areas where the UK and EU should take opportunities to enhance cooperation, including overcoming technical barriers to trade, chemicals regulation, financial services, research, environmental and intellectual property regulation where they emerge.

17. Points raised in discussion:

- a. *SC preparations* – The UK and EU DAGs should look into establishing a process for feeding into Specialised Committee business, including inviting DAG co-chairs to observe future SC meetings.
- b. *Emissions trading* – The LPF SC should discuss setting out a timeline for negotiations on linking the UK and EU emissions trading schemes.
- c. *Windsor Framework* – Regulatory divergence poses particular challenges for the smooth operation of the Windsor Framework, and the UK and EU need to develop their mechanisms for managing divergence, which so far are relatively untested.
- d. *Sector-specific groups* – Working groups need to be established as soon as possible to allow for in-depth discussion on technical, sector-specific issues (such as batch testing of medicines).

18. The LPF and TBT SCs representatives confirmed that many of the points raised were on the LPF SC agenda, and that officials were keen to see the subgroup's paper before the SC meeting on 4 October. They also confirmed that establishing technical barriers to trade working groups was a priority for the UK and the EU and that this was reflected in the TBT SC agenda.

19. Sean McGuire thanked members for their contributions and asked for further comments by 28<sup>th</sup> September. He also asked the DAG secretariat to explore whether the (T)SCs could have representation from the DAG.

### **Subgroup on Energy and Climate Change:**

20. Paige Truelove said the energy and climate change subgroup's paper was in the final stages of completion, and that it would be issued in the next few days once the section on the EU carbon border adjustment mechanism (CBAM) had been finalised. Aside from CBAM, she said the subgroup had three main recommendations:

- a. *North Seas Energy Cooperation* – The UK withdrew from the North Seas Energy Cooperation (NSEC) as part of Brexit, but since last December has resumed participation in the scheme. This progress is welcome, but more information on the specific role the UK will play and a strategy for engaging in the NSEC are needed.
- b. *Electricity trading* – Cross-channel electricity trading has been less efficient since the UK withdrew from the EU internal energy market. The UK and EU should set out a timeline for discussions on renewing cooperation on electricity trading.
- c. *Emissions trading* – Similarly, the UK and EU should set out when they will begin discussing linking their emissions trading schemes.

21. Points raised in discussion:

- a. *Irish electricity market* – The paper should consider how further UK-EU electricity trading cooperation would impact the single electricity market for the island of Ireland.
- b. *Other offshore sectors* – Consideration should be given to how the UK can account for the impact of offshore energy expansion on other sectors (such as fishing) during its work in the NSEC.

22. Sean McGuire thanked members for their contributions, asked for further written comments by 15 October.

### **Subgroup on Issues Affecting Nations and Regions:**

23. Irene Oldfather emphasised the importance of accounting for the impact of the TCA on every part of the UK and said the nations and regions subgroup was established to bring a place-based approach to the DAG's work. She stated that the first meeting had taken place in July with a good attendance from across the UK. The group had agreed leads from each nation who would coordinate input from their areas to a discussion at an all-nations event in Scotland on 10th November. She said the subgroup was working with the European Economic and Social Committee President, and that its priorities included:

- a. *Government engagement* – Deciding which issues would be best to raise with the UK government, the relevant devolved government, or a combination of each, and building strong relationships with all four.
- b. *TCA review* – Examining opportunities for making progress during the TCA review, bearing in mind the potential impacts of EU, UK and US elections in 2024.
- c. *Horizon* – The news on Horizon and Copernicus association was very welcome. It is important to ensure UK scientists are able to lead projects and that both the UK and EU encourage researchers to collaborate.
- d. *Cost of living* – It is important to consider how decisions made on TCA implementation affect wider issues affecting UK and EU residents, including the increased cost of living.

24. Irene Oldfather commented that the TCA review was of interest to many DAG subgroups, so it should be added to the agenda for the next plenary meeting.

25. Sean McGuire thanked members for their contributions and committed to considering common themes that could form the basis of a joint statement from the UK and EU DAGs.

### **Civil Society Forum preparations:**

26. FCDO confirmed that a proposal for the next Civil Society Forum (CSF) had been issued to DAG members, which covered:

- a. *Themes* – Officials propose four thematic in-depth discussions covering the same areas as the DAG subgroups. Each subgroup's convener could give a short presentation on their main priorities that would be followed by a discussion, instead of a Q&A session. The EU DAG has different subgroups, so extra consideration would have to be

given to the precise themes' titles and structure of the meetings, and these would have to be agreed with the EU.

- b. *Reception* – The UK government plans to host a reception on the eve of the CSF at Lancaster House, which would be a good networking opportunity and a chance to promote UK business and culture through musical performance and food and drink.

27. Points raised in discussion:

- a. *Significance* – It is important this year's CSF reflects the improvement in UK-EU relations that has taken place since the last year's forum, setting a precedent for more constructive meetings in the future. In particular, the UK and EU DAGs should work together to push for changes which would benefit people on both sides.
- b. *Participation* – Giving the CSF more structure would be welcome, but it is important the format is flexible enough to give every attendee the chance to participate.
- c. *Invitations* – Information for organisations not represented on the DAG would be welcome as soon as possible. It would be great to bring in external perspectives, particularly on issues like youth mobility.

#### **Chair's conclusions:**

- 28. Sean McGuire thanked members for their contributions and said they would be considered for incorporation into the subgroup papers over the coming weeks. On the CSF, he said it was important all DAG members played a part in making the event a success which takes advantage of the improved UK-EU relationship to better connect the UK and EU DAGs. He again thanked members and closed the meeting.